

## Waiting in the Dark for Deliverance

In Powerless Lagos, Rioting Has Given Way to Surreal Chaos

By Roger Cohen  
New York Times Service

LAGOS — In the so-called presidential wing of Nigeria's international airport, a former president recently released from jail lay slumped Tuesday awaiting a flight delayed because there was no jet fuel to propel the aircraft.

The former president, General Olusegun Obasanjo, having just emerged from three years in the prisons of the late dictator, General Sani Abacha, was inclined to be patient as he prepared for a trip outside the country. Freedom was sweet, General Abacha dead, and the air-conditioned waiting-room comfortable. Then there was a power cut, the lights went out and the cool air gave way to the heavy heat of Lagos.

"Look at what has become of this country," said General Obasanjo, who ruled Africa's most populous nation from 1976 to 1979 and gained lasting esteem through the

rare act of handing over power to a civilian government. "We are one of the world's biggest producers of oil, and we have no fuel. We have more power stations than we need, and no electricity. Madness."

Nigeria, like its former president did for several hours on Tuesday, waits, in the dark, for some deliverance. The death last month of General Abacha ended a nightmare. The death this month of the leading opposition figure, Moshood Abiola, shattered a dream. In the resulting void, rioting has now given way to an almost surreal chaos.

Lines of cars waiting for gas, often long, have grown and now stretch for several miles. Rumors swirl as to when General Abacha's successor, General Abdulsalam Abubakar, will announce the program for a transition to democracy that he has promised. Opposition groups spend countless words on plan after fanciful plan for democratic reform. Mr. Abiola's many wives have begun to bicker over

See LAGOS, Page 10



Foreign Minister Keizo Obuchi speaking to the press Wednesday outside his home in Tokyo after emerging as a contender for prime minister.

## In Japan, Party Juniors Clamor for New Blood

By Kevin Sullivan  
and Mary Jordan  
Washington Post Service

TOKYO — Each day this week, the meeting grows as word of mouth spreads. More and more of the young Liberal Democratic Party's junior members are drifting over to the Akasaka Prince Hotel to add their voice to the spontaneous caucus building on the fourth floor.

Since its devastating loss in parliamentary elections Sunday, senior Liberal Democratic Party members have been meeting privately to decide on a new prime minister to replace the outgoing Ryutaro Hashimoto. But junior members have been largely cut out of the power play by the conservative party's rigid rules of seniority.

So on Monday, 20 of them gathered at the Akasaka Prince to vent some steam. Then 35 showed up Tuesday, and by Wednesday 50 of them gathered and agreed on a few demands: the next prime minister must not be chosen in secret by old-style factional arithmetic, must be well-enough versed on eco-

nomics to tackle Japan's critical economic crisis, and should have a young face to change the Liberal Democrats' stodgy, out-of-touch image.

"Everybody felt a sense of crisis and a sense of mission," said Toshikazu Matsuo, a Liberal Democratic legislator who attended the meetings. "We were angry, and we felt we had to do something for the future of the country. The younger generation's influence is starting to take form."

The scramble to select a new prime minister has opened new opportunities for more junior Japanese politicians, who are ignoring tradition and demanding to be heard. The prime minister's race is shaping up as a referendum on the Liberal Democrats' and Japan's established way of doing things.

As wounded LDP elders decide on what to do to recover from the resounding defeat Sunday in the upper house elections, they are being forced to pay more attention to the junior members, who sense a way to turn disaster for the party into an opportunity for them-

See JAPAN, Page 4

## Starr's Move To Subpoena Bodyguards Draws Fire

White House Decries 'Venomous' Action by 'Overzealous' Prosecutor

By Peter Baker  
Washington Post Service

WASHINGTON — The White House assailed the independent counsel, Kenneth Starr, on Wednesday for trying to bring the head of President Bill Clinton's security detail before the grand jury investigating the Monica Lewinsky matter, and the Justice Department went to court to block the subpoena.

Aides and lawyers for Mr. Clinton broke their silence on Mr. Starr's fight with the Secret Service to denounce prosecutors for issuing subpoenas to Larry Cockell, the special agent in charge of White House security, and five uniformed officers who help protect the president.

The flurry of subpoenas delivered Tuesday was the action of "an overzealous prosecutor" trying to force someone privy to the president's confidential conversations "to betray that trust," the White House press secretary, Michael McCurry, said Wednesday.

"It is utterly outrageous and venomous for Ken Starr to allow his staff to impugn the integrity of the president of the United States and people who are required by law to protect him, and if he had any ounce of decency today, he would tell them to knock it off," Mr. McCurry said.

Mr. Clinton's private attorneys separately released a statement accusing Mr. Starr of wanting to penetrate attorney-client privilege by asking Secret Service officers what they heard when the president spoke with his lawyers.

"Let us be clear: Any backdoor attempt by this prosecutor to invade the president's right to consult with personal counsel will be aggressively and firmly resisted," the attorneys, Robert Bennett and David Kendall, said in the statement.

Until Wednesday, the White House generally had avoided commenting on the Secret Service matter, maintaining it had no role in that battle and was leaving it to the agency to determine how best to handle its protective duties.

But the latest subpoenas rattled the administration because, for the first time, Mr. Starr has targeted one of the elite corps of plainclothes agents who generally have more intimate access to the president than the uniformed officers prosecutors have interviewed.

See STARR, Page 10

## 'Science Fiction' Power for the PC

By John Markoff  
New York Times Service

SUNNYVALE, Calif. — For more than 25 years, computer scientists have been working to develop a technology known as distributed computing that would give average users the processing power of a supercomputer.

For scientists and others who need enormous computing power, distributed computing holds out the promise of increasing the power of a standard laptop exponentially.

But for the average consumer, it may eventually produce smart gadgets such as cars that avoid traffic jams and phones that know not just the telephone number of every listed person in the United States but their addresses and ZIP codes and the names of their family members.

In short, distributed computing promises to endow consumer appliances — from telephones, televisions and stereos to kitchen appliances and cars — with

### Technology Promises To Harness Networks

an infusion of borrowed intelligence by connecting them, with or without wires, to a computer network.

This week, Sun Microsystems is expected to unveil the first consumer version of this technology, a product called Jini that uses Sun's Java programming language to harness the power of potentially millions of computers, from mainframes to palm-sized devices.

"We now have all the ingredients to build a distributed computing fabric which approaches science fiction," said David Farber, a University of Pennsylvania computer scientist who pioneered distributed computing in 1971.

"You will be able to sit with your laptop, and it will be able to reach out across the network. And for the moments you need the power, it will become the largest

supercomputer in the world." It could also shift the balance of power in the computer industry.

At a time when worried governments on three continents are struggling to restrain Microsoft Corp.'s iron grip on computing and its ambitions on the Internet, distributed computing could level the playing field by shifting growth in high-technology industries to the millions of consumer appliances that increasingly contain processors.

Indeed, Microsoft is known to be working on a system similar to Jini, known as Millennium.

But Sun, among Microsoft's fiercest competitors, has an early advantage in this race because of the nature of Java, which is designed to move chunks of computer code from machine to machine. Jini uses this ability in ways that allow computers and other devices to cooperate, sometimes by sharing in-

See SUN, Page 10

## EU Cuts Aid Donations

Snafu Could Close Many Humanitarian Groups

By Barry James  
International Herald Tribune

BRUSSELS — Hundreds of humanitarian and human rights organizations have seen donations from the European Union — the world's largest aid donor — cut off over a legal snafu.

Many of the groups will have to close or curtail programs unless a solution can be found when the European Commission, the European council representing governments, and the European Parliament meet Friday to review next year's budget. The commission said Wednesday that for many organizations "funding might cease in 1999." Other groups already have lost their funding for 1998.

The problem started in 1995 when the commission, the EU's executive body, said it was donating about \$50,000 to a pilot project to rehabilitate prostitutes in Vienna. That set off an uproar in the British tabloid press, and the Conservative British government at the time took the commission to the European Court for "spending illegally." Either through negligence or design, the present Labour government did not withdraw the lawsuit.

The court consequently ruled two months ago that the commission could not finance projects without a legal

basis, meaning approval from the European Council.

As a result, last month the commission froze about 920 million European currency units (\$844 million) of its budget, about 1 percent of the total, while it reviewed this spending to find out whether it was legally sound. The social and humanitarian organizations, which get some or all of their income from the EU but which account for a minuscule proportion of the total spending, were caught in a trap.

The disarray could curtail or destroy the work of some organizations, said Ben Schonfeld, of the World Organization Against Torture, which may have to close or reduce the activities of more than 50 of the centers it has established around the world to rehabilitate torture victims.

"Getting some of our programs started in the first place was an achievement because they were an acknowledgment that torture had in fact taken place," he said. "If a program has to close, it will be very difficult to start it up again. Once it is gone, it's gone. It is like taking out the building blocks of society."

After completing its review, the commission said it had found a legal basis to release 390 million euros of the blocked

See EU, Page 10

## At Hong Kong Airport, Reputations Are Lost, Too

By Philip Segal  
International Herald Tribune

HONG KONG — The first home-grown crisis in Hong Kong under Chinese rule — the vastly expensive and malfunctioning new airport — is rearing its head. The cost of the airport is estimated to be more than the government has estimated and may also hurt the political future of at least one prominent government figure.

Analysts said that Hong Kong International Airport, which opened on July 6, had damaged the reputation of the civil service and could end up dashing any chance that Anson Chan, the most senior civil servant in the territory,

will someday run Hong Kong. She is responsible for the airport as head of the government's Airport Development Steering Committee, and at the opening ceremony she was the only official to thank Britain for deciding to build the airport — and to persevere in the face of time-consuming objections by China over financing it.

The airport authority said Wednesday that passenger operations were on schedule at the \$20 billion airport. But cargo operations are still tangled, dealing another blow to a city struggling through the Asian financial crisis. At least two-thirds of the air freight normally shipped through Hong Kong has not been getting off the ground.

The government estimated that the problems would cost Hong Kong about 0.1 percent of gross domestic product this year. Some economists have calculated the loss to Hong Kong to be about 1 billion Hong Kong dollars (\$129 million) a day and have said that if the crisis lasted 20 days it would result in a 5.7 percent reduction in gross domestic product for the current quarter alone.

Another potential cost of the crisis is that airports in China and the nearby Portuguese colony of Macau have come to Hong Kong's assistance by taking up

## AGENDA Belarus Says U.S. Escalates Tension

MINSK (Reuters) — The Belarus Foreign Ministry, cited by state radio on Wednesday, said U.S. travel restrictions on President Alexander Lukashenko and other senior officials would escalate tensions between the two states.

The State Department on Tuesday announced visa restrictions for Mr. Lukashenko and dozens of his officials following similar measures taken by the European Union on Monday in a coordinated response in a spat over diplomatic residences.

"The statement of the U.S. State Department does not assist in resolving the conflict or continuing dialogue," a ministry statement said. "On the contrary, it will lead to an escalation in tensions."

Five EU countries, the United States, Japan and others recalled their ambassadors from the former Soviet republic last month after Minsk cut off water and telephones and restricted access to the diplomats' complex, called Drozd.

The Dollar			
	Wednesday 4 PM	previous close	
DM	1.7996	1.8052	
Yen	140.565	139.98	
FF	6.0315	6.049	
Pound	1.635	1.6348	
Dollars per pound			
The Dow			
	Wednesday close	percent change	
S&P 500	9,234.47	-0.12%	
Nasdaq	1,174.81	-0.24%	
	26.11	1,994.52	+1.33%

Books ..... Page 9.  
Crossword ..... Page 15.  
Opinion ..... Pages 8-9.  
Sports ..... Pages 18-19.  
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Newstand Prices	
Bahrain	1.000 BD
Cyprus	1.000 C
Denmark	14.000 DM
Finland	12.000 FM
France	0.85 Rep. Inland
Germany	0.85 Rep. Inland
Greece	5.50 S. Africa
Hong Kong	1.250 HKD
India	1.250 INR
Japan	1.250 JPY
Malaysia	1.250 MYR
Norway	1.250 NOK
Philippines	1.250 PHP
South Africa	1.250 ZAR

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See AIRPORT, Page 10

## Drug Scandal Rumbles On in Tour de France

Riders in the Tour de France cruising through sunflower fields Wednesday. The stage was won by Jeroen Blijlevens, a Dutchman, while Stuart O'Grady, an Australian, gained the overall leader's yellow jersey. Meanwhile, the coach of the nine Festina riders in the Tour was being questioned by French police concerning the latest drug scandal. Page 19.

## Ultimate Challenge: The 135-Mile Death Valley Marathon

By Kirk Johnson  
New York Times Service

BERNARDSVILLE, New Jersey — Lisa Smith leads what she calls a "very ordinary life." Here is a glimpse: In the last four months, she ran 150 miles across the Sahara in temperatures of up to 130 degrees Fahrenheit, got stung by a scorpion along the way, but kept going and staggered across the finish line with a fever of 103.

She slogged 400 miles (640 kilometers) through the Montana wilderness on a weeklong "adventure race" that included white-water kayaking, snowshoeing on glaciers and riding 100 miles on a mountain bike. And she raced 50 miles along the spine of Long Island in 6 hours 43 minutes in a supermarathon, where she won and set a course record.

Now, she says, it is time for something really

difficult. Death Valley is calling. For athletes like Ms. Smith — part of a tiny band of little-known superendurance runners who stake their claims on the frontiers of human physical possibility — the Death Valley ultramarathon called "Badwater" is the evil dark star and siren song temptress of a sport that most people probably barely even know about, let alone fantasize doing themselves.

The race, which begins Thursday, starts at the lowest point in the continental United States, 282 feet (86 meters) below sea level, in high summer, the time of year that gives Death Valley towns like Furnace Creek, California, their names and reputations. It stretches across the desert for 135 miles, climbing 8,500 vertical feet to the base of Mount Whitney, whose peak is the highest point in the lower 48 states.

For an added treat, headwinds of 40 to 50 miles per hour (65 to 80 kilometers per hour) are not uncommon.

The course literature says runners should be prepared for a 100-degree variation in temperature, from 130 Fahrenheit (54 centigrade) or more at the beginning to freezing or below at the end.

"It's the hardest race in the world," said Ms. Smith, 37, a massage therapist and sports trainer who is running Badwater for the third time. "Something about this race just gives you a power that you have to find within yourself. Once you've done it, nothing seems that difficult anymore."

Superdistance running is predicated on the notion that just about everything in life, including the plain vanilla 26.2-mile regular marathon, is too easy. The sport offers little in the way of celebrity or prize money, partly because finishing at all is considered nearly as prestigious as winning. It has a long history as

See ULTRA, Page 18



# Cambodian Crooner / Hun Sen's 'Other' Career

## Strongman Moonlights as Prolific Songwriter

By Seth Mydans  
New York Times Service

**P**HNOM PENH — Pity the pagoda boy, barefoot and hungry, living on handouts from the monks. But now the pagoda boy is grown up and important and he sits in a big chair.

Everybody in Cambodia knows the song about the temple student who rose to power and respect. And everybody knows its author — one of the country's most prolific songwriters — Hun Sen, second prime minister.

He is powerful and respected, but still modest.

"I can't sing and I can't play an instrument," said Mr. Hun Sen, who seized full power in a coup a year ago. "But I can write. So whatever people want to do with my songs, let them do it."

It is his aide, Hun Heng, a former singer, who gets that task. "He likes to write at night and sometimes he stays up all night writing," Mr. Hun Heng said in an interview, referring to his boss. "Then he submits his material to me like a draft. I put it into the way we do it so the singer can sing the song."

It is an intense creative process, Mr. Hun Sen said. Sometimes the songwriting urge strikes him on an airplane or a helicopter, and he scribbles on scraps of paper as he goes about his government work.

"There are times when I compose with tears in my eyes," he said, "especially when I write about a wife separated from her husband, or about the pagoda boy or about the virtues of my mother."

So the strongman has a soft side? Mr. Hun Sen bristled at the question. "I am not a strongman," he declared. "Other people call me a strongman. And it is wrong to call me a monster. I am only a strongman to destroy real monsters."

Mr. Hun Sen heads the advice that is often given by elementary writing teachers: "I only write about what I know," he said. He was indeed one of the poor Cambodian children who got their education at a pagoda — brought



Hun Sen, left, engaged in his day job — as second prime minister — holding an open-air meeting with villagers at Koh Kel. The former Khmer Rouge member churns out songs that one of his aides polishes.

to the temple by his father, a poor farmer. And he does now sit in a big chair.

There are love songs in Mr. Hun Sen's oeuvre and many songs that extol the virtues of rural life. There are songs dedicated to the Hun Sen Development Centers he has opened around the country, like the one titled, "In the Shade of the Palm Trees of Krang Yoev Development Center."

There is even a song promoting the virtues of peace and human rights: "Bravo for the day of culture and peace!" it goes. "Respect human rights, respect the value of the other and of yourself."

Neither the songwriter nor his aide — who are not related — writes the music. Instead, Mr. Hun Heng puts his master's words to popular melodies, which are then recorded onto cassettes and played every evening on gov-

ernment-controlled radio stations. "Nobody buys these songs because we hear them on the radio all the time," a Cambodian journalist said.

"Nearly all the FM stations belong to Hun Sen's party."

There was no shortage of cassette tapes of Mr. Hun Sen's songs at the Russian Market in central Phnom Penh the other day, though it was not clear from talking with the saleswomen whether that was a sign of their popularity or of the lack of buyers.

"We like the songs, that's why we have them for sale," said a vendor, Sok Huong. She said Mr. Hun Sen's songs focus on ordinary people, in contrast with those of Cambodia's leading statesman, King Norodom Sihamoni, who not only writes songs but also is famous for making amateur movies with a romantic treatment. One customer named one of the

king's best-known songs and began to sing. The singing customer knew the names but not lyrics of Mr. Hun Sen's songs.

But there were no Hun Sen cassettes at a neighboring shop. "Nobody wants them," said the proprietor, You Sokhun Thy. "We displayed one once but we took it down when the cover started to turn yellow."

Wanted or not, the songs keep coming — as many as 100 since Mr. Hun Sen began his compositions a decade ago. On a recent campaign swing to a village called Rolang Ken, he pulled out a much-folded page of government stationery and read a verse, scribbled in red ink, that he had composed for the local people.

"Oh! Rolang Ken, I miss you so much," he read. "I remember the time of the floods. The farmers were crying over their lost harvest."

# No Freedom for Gays In Mugabe's Zimbabwe

## President Sets Tone for Nation's Homophobia

By Donald G. McNeil Jr.  
New York Times Service

**HARARE, Zimbabwe** — Nearly three years ago, in a dispute over a small stand at an obscure book fair, President Robert Mugabe suddenly lashed out against gay men and lesbians, making remarks that echoed around the world. He said they were "worse than pigs and dogs" and had no civil rights in Zimbabwe.

Although gay organizations overseas were shocked and angry, gay Zimbabweans largely did what white Zimbabweans had done 10 years before, when Mr. Mugabe began attacking them: ducked their heads and tried to get on with life.

But times have changed. Both sides have now dug in, and a state of undeclared war exists between gay Zimbabweans and the president.

Activists recently thwarted a plan by California State Polytechnic University at Pomona to award the president an honorary doctorate, and have asked for a human rights group to picket his overseas trips.

Mr. Mugabe, for his part, repeatedly takes gratuitous slaps at gay men and lesbians. At a news conference on another topic in another country in May, for example, he told foreign reporters, "In Zimbabwe, all the freedoms you get elsewhere — except that of gays — are allowed."

He recently told journalists at an editor's funeral to "report negatively" on homosexuality. He has even suggested, gay activists said, that women not attend baby showers, saying that talk about sex and libidinous krasa-krasa dance music led to lesbian affairs.

Since the president's attacks, the press and society in general have become homophobic in a country that was once indifferent to or tolerant of gay men and lesbians.

When the controversy began in 1995, many people were ignorant of homosexuality. Rural Zimbabweans said some heterosexual friends had asked whether gay people had both male and female sex organs.

Because African men commonly hold hands and share bedrooms, gay men said, the police previously did not recognize them as gay. Now, they say, the police sneer at them and refuse to

investigate gay-bashing incidents.

"People don't accept us anymore," said Tina Machida, a leader of Gays and Lesbians of Zimbabwe, a gay rights group known as Galz. "The bouncers from the bar next door to a club where we held our last party tore down our decorations and got violent. They were saying, 'The president doesn't like people like you.'"

The battle got nastier recently when the World Council of Churches, which is to meet here in December, invited Galz to join its human rights session. Conservative local churches and the government have objected.

The struggle is all the more awkward for Zimbabwe's public image because two prominent court cases about gay sex crimes are under way, too.

The first case concerns the Reverend Canon Banana, 62, who was president from 1980 to 1987, when Mr. Mugabe absorbed his largely ceremonial post. He is charged with sodomy and indecent assault.

The witnesses — most of them his youthful police bodyguards or cooks between 1983 and 1986 — described a pattern in which he would ask them to play cards, offer them a drink, put on some music and then insist on teaching them to dance. While dancing, they said, he would kiss or fondle them, in one case squeezing one's buttocks appreciatively.

The key state witness, Jesta Dubé, was sentenced in 1995 to 10 years for killing another policeman. His defense was that he had been driven to do it because the man tauntingly called him "Banana's wife."

Mr. Banana, a Methodist minister with four children, has called the accusations "a mortuary of pathological lies and a malicious vendetta." The defense said the acts never took place. But if the court found that sodomy took place, his lawyer argued, it was consensual.

In the second case, a Galz leader, Keith Goddard, was accused of sodomy. The charge was brought, he said, by a 20-year-old man he had never met who wrote him letters recalling a night they had supposedly spent together and demanding \$500, a color television, a stereo, an electric burner, a kettle and a iron. In the final letter, the man threatened to have him arrested.

### BRIEFLY

#### Assad Denies Ex-Nazi Is in Syria

**PARIS** — President Hafez Assad forcefully denied Wednesday that the Nazi war criminal Alois Brunner was hiding out in Syria.

In a television interview aired by France's TF1 network on the eve of his state visit to France from July 16 to 18, the Syrian leader said: "Nothing is hidden from me in this country. This man is a foreigner. If he were here, I would know about it."

The Austrian-born Mr. Brunner worked with Adolf Eichmann in charge of the extermination of Jews. He is accused of having sent 130,000 Austrian, Greek, French and Slovak Jews to the death camps.

Nazi-hunters have claimed Mr. Brunner is being sheltered in Syria, and leaders of France's large Jewish community have urged President Jacques Chirac to press for his extradition during Mr. Assad's visit. He is wanted by prosecutors in Germany, Austria, France and Israel. (AP)

#### Moderate Named Iran Minister

**TEHRAN** — President Mohammed Khatami nominated a moderate cleric as interior minister on Wednesday, setting the stage for a confrontation with hard-liners in Parliament who impeached the previous minister for his reformist views.

In a letter to the Parliament, Mr. Khatami nominated Abdolvahed Mousavi-Lari, a vice president and a key ally, to head the ministry, the Islamic Republic News Agency reported. Mr. Mousavi-Lari, 44, was deputy minister of culture and Islamic guidance in 1982-1992, when Mr. Khatami was the minister.

The speaker of Parliament, Ali Akbar Nateq-Nouri, a hard-liner, said that Mr. Mousavi-Lari's nomination would be debated next week. (AP)

#### Jetliner Flies U.S.-Cuba Direct

**HAVANA** — A chartered Boeing jetliner carrying 203 passengers landed in Havana on Wednesday morning as the United States resumed direct commercial flights to Cuba after a two-year ban.

The Boeing 767-300 took off from Miami International Airport shortly after 9 A.M. for the 45-minute flight to Havana's Jose Marti International Airport.

It was the first nonstop U.S. commercial flight to the island nation since President Bill Clinton canceled direct flights in 1996.

He imposed the ban to punish the Cuban government for shooting down two unarmed civilian aircraft.

He lifted it in March, after the visit of Pope John Paul II to Cuba. (AP)

#### Mexico Ex-Aide Testifies in U.S.

**HOUSTON** — After years of blocking U.S. efforts to investigate corruption in their ranks, Mexican law-enforcement officials have allowed the jailed former head of their national police to travel secretly to the United States to testify about drug payoffs at high levels of the Mexican government.

In what U.S. officials described as a ground-breaking collaboration between the two countries, the former police director, Adrian Carrera Fuentes, told a federal grand jury in Houston in June that he collected nearly \$2 million in drug bribes in 1993 and 1994, two officials familiar with the testimony said.

They quoted him as saying that he had turned the money over to a former colleague, Mario Ruiz Massieu. Mr. Ruiz Massieu was arrested in New Jersey three years ago. (NYT)

# Sudan Rebels Set Truce to Aid Famine Relief

Agence France-Presse

**NAIROBI** — The rebel Sudan People's Liberation Army declared a "unilateral and unconditional" cease-fire Wednesday in southern Bahr el-Ghazal state to allow aid to reach vast numbers of famine victims.

The cease-fire is to last for three months, a rebel spokesman, Pagan Amum, told a

press conference in Nairobi. "This is a humanitarian truce limited to areas seriously affected by famine and has nothing to do with issues of war and peace," he said.

The Sudan People's Liberation Army has been fighting Islamic domination of the Christian and animist south for 15 years.

The cease-fire is linked to a proposal for road, rail and river "corridors of tranquility" to allow aid through the front lines, Mr. Amum added.

"We call upon the government of Sudan to reciprocate," Mr. Amum said, adding that the cease-fire would apply throughout Bahr el-Ghazal. Asked what rebel troops would do if attacked, he replied that "we would exercise our legitimate right

to protect the cease-fire by preventing others from breaking it."

The UN World Food Program, one of several agencies involved in a huge relief effort, estimates that 1.2 million southern Sudanese are at high risk of starvation in areas hit hard by drought and the civil war, particularly in Bahr el-Ghazal. It is feeding a total of 2.6 million people in Sudan.

A spokeswoman for the UN World Food Program, Michele Quintaglie, said after the announcement. "Any initiative that will improve the security situation on the ground for our aid workers who are trying desperately to distribute relief food to hundreds of thousands of Sudanese at great risk right now can only be seen as a positive

step to resolving this humanitarian crisis."

"Unfortunately," she added, "this won't solve all our problems because many of the security obstacles we face are caused by other factions and armed elements that are not party to this agreement."

Derek Fatchett, a junior minister at the British Foreign Office, arrived in Nairobi on Tuesday to put the safe corridors proposal to the Sudan People's Liberation Army, and then flew on to Khartoum to discuss it with the Sudanese foreign minister, Mustafa Osman Ismail, and other officials.

Mr. Fatchett described the plan at a press conference Tuesday as "limited and realistic, but at the same time ambitious."

# Britain Returns Castor Marbles

The Associated Press

**LONDON** — More than a century after the Dutch smuggled them out of Izmir, Britain on Wednesday returned to Turkey seven figures dating from Roman times that are known as the Castor Marbles.

Ozden Sanberk, the Turkish ambassador, accepted the figures, which include busts of Venus and Marcus Aurelius, from Veronica Robinson of Britain's Maritime and Coastguard Agency at a brief ceremony at the Turkish Embassy in London.

The Dutch vice consul, Alfred Van Lennep, removed the marbles from Izmir in 1894, but the Dutch ship Castor sank in the English Channel as it carried them to the Netherlands.

In 1995, the marbles were found by a group of British divers, who handed them over to the British authorities. They contacted the Turkish Culture Ministry.

Kenan Ipek, a press counselor at the Turkish Embassy, said the marbles would be displayed in a museum in western Anatolia, perhaps in Izmir or Bodrum.

### TRAVEL UPDATE

#### Electric Cars Available For Rental in Japan

**TOKYO (AP)** — Japan's first car-rental agency to feature electric cars opened its doors Wednesday in hopes of tapping into a fledgling market for environmentally friendly transportation. The Koba Eco Car Co. in Kobe, 430 kilometers (270 miles) southwest of Tokyo, offers 24 electric cars and 4 gas-electric hybrid automobiles. It plans to increase its fleet to 80 vehicles by next spring.

Customers will have to watch the fuel gauge carefully as there are only 24 designated locations throughout Kobe for recharging electric cars. The average rental price for the vehicles is \$50 for six hours of use.

#### Cyprus Airline Strike

**NICOSIA (APF)** — Thousands of travelers will be stranded in Cyprus next

week by a three-day strike called by Cyprus Airways pilots in a dispute over pay, the local media reported on Wednesday.

Andreas Constantinides, president of the pilots' union Pasip, said that about 95 members would stop work from July 23 to 26, grounding flights at the peak of the Mediterranean island's important holiday season.

Middle East Airlines' 11 flights into and out of Beirut International Airport are expected to be canceled Thursday because of a 24-hour strike by the airline's pilots, who are pressing for higher salaries and other benefits. The 15 daily flights to Beirut operated by other carriers are expected to maintain their normal schedules. (AP)

Croatia Airlines opened a flight between Zagreb and Mostar, the first commercial flight to the southern Bosnian city since the civil war of 1992 to 1995. (APF)

### WEATHER

Europe				Forecast for Friday through Sunday, as provided by AccuWeather.				Asia			
City	Today	High	Low	City	Today	High	Low	City	Today	High	Low
Amsterdam	17/22	17	12	London	17/22	17	12	Beijing	28/30	28	18
Brussels	17/22	17	12	Madrid	28/30	28	18	Bombay	30/32	30	22
Copenhagen	17/22	17	12	Moscow	28/30	28	18	Bangkok	30/32	30	22
Hamburg	17/22	17	12	Paris	28/30	28	18	Calcutta	30/32	30	22
Stockholm	17/22	17	12	Rome	28/30	28	18	Chongqing	30/32	30	22
Vienna	17/22	17	12	Sydney	28/30	28	18	Colombo	30/32	30	22
Zurich	17/22	17	12	Tokyo	28/30	28	18	Hong Kong	30/32	30	22
								Kobe	30/32	30	22
								Manila	30/32	30	22
								Osaka	30/32	30	22
								Seoul	30/32	30	22
								Taipei	30/32	30	22
								Yokohama	30/32	30	22

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## THE AMERICAS

## Heat Wave Turns Children's Game Into Tragedy

**GALLUP, New Mexico** — The four young cousins were almost always together, usually playing in the yard overlooking Gallup. Seeing an open trunk in a car out front, they climbed in. The trunk shut tight.

With temperatures near a sweltering 100 degrees Fahrenheit (38 degrees Celsius), frantic relatives started the same car and searched local parks and playgrounds in vain as Monday evening drew on. An hour after the children disappeared, an aunt waiting in the car to continue the search heard a gasp. She turned down the volume on the car radio and popped the trunk.

Brianna Rohan, 2, Ramon Torres, 3, and Steven Dawson, 5 — were dead. Six-year-old Christina Rohan died a day later. The authorities say they died of heat and asphyxiation.

Relatives gathered at the home Tuesday to grieve. "Nobody deserves something like that," an uncle, Felipe Rohan, said in the Albuquerque Journal. "Sometimes you don't recognize what you have."

As temperatures have soared across the southwestern and southern regions of the United States this summer, a doctor said it might have reached 140

degrees in the tight-fitting trunk of the black car.

A Gallup police lieutenant, Craig Meo, said the incident was being investigated as an accident. The police believe the children closed the trunk themselves as they played. "It's just the worst I've ever heard," said Mr. Meo, noting that two adults and a 13-year-old aunt had been watching the children. "Not seeing your kids for 15 to 20 minutes is not unusual. They never left the property."

Neighbors said the parents were attentive and that the children rarely wandered outside the chain-link fence that surrounded the small yard in Gallup, a western New Mexico town about 20 miles (32 kilometers) from the Arizona border. "They're the sweetest kids," said Jimmy Rohan, another uncle. "They were always together."

Manuel Rohan, 25, father of two of the children, had taken a car battery out of the trunk and carried it inside the house. He left the trunk open.

About 20 minutes after Mr. Rohan removed the battery, family members noticed the children were missing, Mr. Meo said. After a brief foot search, Mr. Rohan got in the car, not noticing that the trunk was then shut, and searched for 45 minutes with other relatives.

After returning home, Mr. Rohan went inside to answer a telephone call, Mr. Meo said. That was when the young aunt thought she heard a noise — and then was sure she heard a gasp.

Family members, neighbors and an emergency crew tried to revive the children.

## Death Toll Hits 16 in Dallas

The death toll in Dallas from a heat wave that has scorched the southwestern United States reached 16 as city officials declared a public health emergency and drew up measures to protect the elderly and the sick, Reuters reported from Dallas.

Most of the 16 heat victims since June 1 in the Dallas area have been middle-aged or elderly and suffered from heart disease or other serious illnesses.

Thermometers hit 101 degrees Fahrenheit in Dallas on Tuesday, the ninth straight day of triple-digit temperatures and the 22d of the summer.

Officials said they would keep libraries, recreation centers and other public buildings open longer as "cooling shelters" so people who did not have air conditioning at home could find shelter during the hottest hours of the day.

## U.S. Violates Test-Ban Pact, Group Asserts

New York Times Service

**NEW YORK** — A multibillion-dollar federal effort to create tiny blasts of pure fusion energy like that of a hydrogen bomb violates the Comprehensive Test Ban Treaty and shows that the United States is pursuing a double standard on the control of nuclear weapons, a new report says.

The study is by the Institute for Energy and Environmental Research of Takoma Park, Maryland, a scientific group founded in 1987 that has won praise from private experts for its critiques of the federal nuclear establishment.

Its analyses have prevailed in lawsuits against the Energy Department, mostly involving contaminated nuclear-weapons plants, and led to out-of-court settlements.

The study is the first to make the specific accusation of a treaty violation, but it echoes criticism that the United States is heading down a dangerous nuclear road.

In its 92-page report, issued Wednesday, the group warns that fusion research like that now under way by the government could be used to develop a new generation of hydrogen bombs and that it is thus illegal under the test ban.

The Energy Department, which runs the research program, strongly denies the institute's accusation.

The department said Tuesday that its fusion research would produce no new weapons and instead was meant to help keep the nation's existing nuclear stockpile in good working order, as well as to help harness nuclear fusion for peaceful energy production.

## Reno Denies Using 'Double Standards'

**WASHINGTON** — Attorney General Janet Reno on Wednesday stood by her decision not to seek an independent counsel to investigate alleged White House involvement in campaign funding violations. She told hostile Senate Republicans that she would appoint one only when there was evidence to do so.

Ms. Reno, in testimony before the Senate Judiciary Committee, denied she was using a double standard by investigating charges of influence peddling against Labor Secretary Alexis Herman but using similar arguments to reject a special prosecutor for campaign funding. Senator Arlen Specter, Republican of Pennsylvania, said there was "overwhelming evidence" of White House involvement in questionable campaign funding practices.

Mr. Specter said that in Ms. Herman's case, the Justice Department resolved that it could not determine whether the allegations against her were credible, and there was strong evidence she was not involved in wrongdoing. But Ms. Reno in May went ahead with the request for an independent counsel.

Mr. Specter claimed that Ms. Reno had the same basis for naming an independent counsel to investigate whether President Bill Clinton and Vice President Al Gore had a role in illegal fund raising activities. (AP)

## White House Weighs Lawsuit on Tobacco

**WASHINGTON** — With its tobacco crackdown blocked by Con-

gress, the White House is studying whether to go to court against cigarette makers to seek recovery of tens of billions of dollars in federal health care expenses caused by smoking, according to officials.

Such a lawsuit would attempt to salvage President Clinton's failed bid to enact far-reaching federal laws regulating tobacco and imposing \$500 billion in new cigarette taxes over 25 years. As Mr. Clinton searches for a new strategy, state governments have pressed ahead with their legal efforts to recover billions from tobacco companies, leaving the federal government with nothing to show for its efforts.

"We would prefer comprehensive national legislation, but this is a serious option," said Rahm Emanuel, a senior adviser to Mr. Clinton.

The search for alternatives to tobacco legislation became more urgent last week after news leaked out that the nation's largest cigarette makers had been trying to negotiate a multi-billion-dollar settlement of dozens of state lawsuits pending against them.

While those secret talks have broken up, the hint of a potential settlement brought home to federal officials that they might be left out as the industry paid billions to the states. (WP)

## Quote/Unquote

Suzann Wilson, the mother of an 11-year-old girl killed in the Jonesboro, Arkansas, school shootings, appealing to state lawmakers to impose stiffer punishments upon children who kill: "I'm not advocating the death penalty for these boys, but I certainly don't think that their serving two-to-five years is justice for what they did. They destroyed all the dreams and hopes of these other children." (AP)

## Religious Right Launches A New Anti-Gay Crusade It Seeks to Give Issue Broader Political Appeal

By Hanna Rosin and Thomas B. Edsall  
Washington Post Service

**WASHINGTON** — A broad coalition of conservative religious groups is launching a new high-profile campaign against homosexuality, hoping to prove it is a disease that can be cured with the proper therapy and counseling.

With a series of full-page ads in national newspapers, intensive Capitol Hill lobbying and new fund-raising appeals, the Christian groups are reinvigorating their long-standing crusade against homosexuality, but with an unusual unity and coordination.

Coalition members say they were inspired by recent remarks by the Senate majority leader, Trent Lott, comparing homosexuals to alcoholics, kleptomaniacs and sex addicts and the controversy that quickly ensued. Mr. Lott's comments drew a sharp attack from both the White House and gay rights groups, and prompted jitters in a Republican Party anxious about taking on the issue.

By speaking about homosexuals in more nurturing terms, as sick patients who can be healed, the religious right groups hope to take the edge off a divisive issue and lend it a broader national appeal. The groups are heartened by recent polls showing a majority of Americans believe homosexuality is wrong.

Gay groups quickly retaliated against the religious campaign by purchasing their own full-page ads that appeared in papers Wednesday.

"We want to make it clear that homosexuality is O.K., that gay and lesbian people have parents who love them and can even be people of faith," said Winnie Stachelberg, political director for the Human Rights Campaign.

The 15 religious groups, which include well-known organizations such as the Christian Coalition and Family Research Council, have different motiva-

tions for stepping up their campaign against homosexuality. Those with stronger political leanings envision the campaign as a kind of political litmus test to force candidates to be more public with their views on homosexuality. Others hope the issue can be an effective fund-raising tool.

"It's time we finally speak out against the homosexual activists who are controlling this issue," said Robert Knight, director of cultural studies for the Family Research Council. "We want those who think homosexuality is a moral issue to be included in the debate."

The religious right campaign employs a variety of tactics. The full-page ads, which have been appearing this week in The New York Times, The Washington Post and USA Today, were coordinated by a group affiliated with the Reverend D. James Kennedy, one of the most popular radio and television evangelists in America. The ads include a portion of Mr. Lott's statement and feature testimony from "ex-gays" who have "walked away from their homosexual identities" and discovered "hope and healing through the transforming love of Jesus Christ."

Other groups involved in the effort have focused on Washington, pressing lawmakers to emphasize their opposition to homosexuality. They have been pushing for months to block the nomination of James Horney, who is homosexual and is President Bill Clinton's choice for ambassador to Luxembourg. They have succeeded so far.

Some Republican political strategists worried that the issue can backfire on opponents of gay rights depending both on the region and on the way the issue is articulated. "Public opinion seems to be shaping up as, in general we don't want special privileges or rights for them, but we don't want gay-bashing either," said Glen Bolger, a Virginia-based Republican pollster.



**ESCAPE** — Rescuers pulling a man from a submerged truck after the Shoal Creek flooded into northern Alabama. The creek was hit by torrential downpours in Tennessee where two people are still missing.

## Away From Politics

• A water main ruptured and flooded sections of Manhattan's Upper East Side on Wednesday, shutting rush hour traffic and cutting back service at two major hospitals when a cap on an opening of the main broke. (AP)

• The man suspected of blowing up an Alabama abortion clinic and wanted for questioning in three other blasts who disappeared six months ago has been tracked to a vehicle stolen last week, the authorities said. (AP)

• A convicted thief is suing a judge in Los Angeles for \$50 million for ordering that he be jailed with 50,000 volts by an electronic stun belt for talking out of turn in court. (AP)

• Some of the homeless in Los Angeles can now legally cart around their belongings. One hundred \$100 shopping carts were given away this week to replace stolen carts used by many of the homeless people. (AP)

• An 88-year-old woman who pleaded guilty to voluntary manslaughter in the beating death of a man nearly twice her size in Virginia said she did not kill him. (AP)

## Hispanic Children Lead a Demographic Change

By Barbara Vobejda  
Washington Post Service

**WASHINGTON** — The number of Hispanic children in the United States has surpassed the number of African-American children, the federal government has reported, signaling the leading edge of a demographic wave that will transform the national profile in the coming decades.

There are now 10.5 million Hispanic children under age 18, outnumbering non-Hispanic black children by 35,000. That numerical benchmark constitutes the earliest indicator of a population change that experts have predicted for

some time: the point seven years from now when Hispanics will become the largest minority group.

Taken together, the trend lines underscore the racial and ethnic reconfiguration in the country, as white Americans steadily decline as a share of the population and communities coast to coast take on a more diverse character.

Since birthrates are generally higher among Hispanic women, the change is occurring first among the nation's children, where classrooms and playgrounds and soccer fields in many communities reflect a broad range of languages and cultures.

"Children are experiencing the diversity

earlier than we are," said Ken Bryson, senior analyst at the Census Bureau.

In just a generation, the report said, white non-Hispanic children have declined from 74 percent to 66 percent of all children. And by 2020, projections show, more than one in five children will be of Hispanic origin. Also, the number of school-age children who speak a language other than English at home and have difficulty speaking English has doubled since 1979, making up 5 percent of all children in those age groups.

In many communities, these changes are igniting a debate over the merits of bilingual education, particularly in California, where non-Hispanic whites will

no longer be the majority as early as next year. California voters recently rejected the practice of bilingual education for children whose native language is not English in favor of one year of intensive instruction in English for those children.

The report was released by a consortium of federal agencies and dealt with a range of measures describing the nation's population under 18. The statistics portrayed improvements in some areas and serious problems in others.

Smoking, drinking and alcohol use, for example, has been rising across racial and ethnic groups, not just among older teenagers but even those as young as 13. Reading scores are declining among ninth-graders. The proportion of poor children without sufficient food increased from 9 percent in 1994 to 15 percent two years later.

But infant mortality is down, immunization rates have improved, teenage births have declined and more parents are reading to their children every day.

## America West Airlines Is Fined Up to \$5 Million

Washington Post Service

**WASHINGTON** — America West Airlines, the Arizona-based carrier, has been fined up to \$5 million for violations of federal maintenance and operations regulations.

The fine would be the largest ever to be paid by an airline. Under a settlement agreement negotiated with the Federal Aviation Administration, America West will pay \$2.5 million immediately. The remaining \$2.5 million will be suspended if the airline complies with the terms of the agreement during the next year.

The violations cited by the agency include allowing aircraft to make thousands of flights while not in compliance with certain requirements, such as having mandatory inspections. The agency also had discovered problems with procedures at contract maintenance

bases doing work for America West.

The airline promised to better oversee contract maintenance facilities, to perform maintenance in accordance with agency procedures, to enhance flight and ground training programs, and to be certain that it fully complies with minimum equipment requirements aboard aircraft.

Over the past few years, the airline dismissed many of its mechanics and contracted with outside companies to provide much of its maintenance. The agency has been particularly sensitive to such arrangements since the 1996 crash of a ValuJet DC-9 in Florida. Oxygen generators blamed for starting an onboard fire were illegally loaded on the plane by a contract maintenance facility.

Thomas Stuckey, deputy director of the agency's Flight Standards Service, complimented America West on its co-

operative attitude. "All the problems we identified have been corrected," he said. But he added that the agency saw the need for "very significant changes" in the airline's operating and maintenance systems to ensure that the same problems do not arise again.

America West noted that it had admitted no wrongdoing but said it had agreed to "move forward in a spirit of partnership to avoid the cost of protracted litigation and focus resources on improving operations and customer service."

Among the violations cited were 17 Airbus A320s that made numerous flights after they were overdue for "significant structural inspections." An agency spokesman said the inspections involved cargo doors. America West said the inspection issue did not compromise safety.

## Separatists Accused of Plot to 'Poison' Clinton

Reuters

**BROWNSVILLE, Texas** — Three men suspected of links to a Texas separatist group plotted to kill President Bill Clinton and other government officials by shooting them with a cactus thorn poisoned with the AIDS virus, according to court documents.

The men were jailed two weeks ago on charges of conspiring to use weapons of mass destruction against federal officials.

Two affidavits from an FBI agent that were unsealed Tuesday describe a bizarre plot in which the suspects allegedly planned to use modified cigarette lighters to shoot thorns tainted

with the AIDS virus, anthrax, botulism or rabies into their victims.

The targets included Mr. Clinton; Attorney General Janet Reno; the FBI director, Louis Freeh, and other federal and local officials, according to the affidavits filed by federal prosecutors.

The three suspects — Johnnie Wise, 72, Jack Grebe, 43 and Oliver Emigh, 63 — were arrested July 1 at Olmito, Texas, near the border with Mexico. A U.S. magistrate, John Black, ruled July 2 that they should be detained without bond.

In one of the affidavits, an FBI special agent, Franklin Sharkey, said a document entitled "Declaration of

War" had been sent to Mr. Clinton and others by e-mail June 12.

On June 26 an e-mail message was sent to Mr. Freeh which began: "Your FBI employees and their families have been targeted for destruction by revenge. We the people are extremely mad and will not accept the inequities any longer." Similarly worded threats were sent to Mr. Clinton and the other intended victims, the document said.

Mr. Sharkey said that, according to an unidentified witness, one suspect planned to glue a hypodermic needle to the opening of the lighter and insert a cactus thorn that was "infected with some kind of biological weapon."

## Dick McDonald, Fast-Food Pioneer, Dies

The Associated Press

**OAK BROOK, Illinois** — Richard (Dick) McDonald, 89, who with his brother-in-law, Maurice (Mac) McDonald, pioneered an innovative quick-service restaurant that evolved into McDonald's Corp., died Tuesday in Manchester, New Hampshire.

The fast-food chain, based in this Chicago suburb, said Mr. McDonald had died of natural causes.

Hoping to capitalize on the growing number of young families in the postwar years and an expanding highway system, Richard and Maurice (Mac) McDonald created a self-service, drive-in restaurant in the late 1940s in San Bernardino, California.

The menu featured 15-cent hamburgers, 19-cent cheeseburgers, 20-cent malts and 10-cent french fries.

Dick McDonald was known as a marketing whiz, having devised the famous Golden Arches and the "Millions Served" signs, while his brother was known as the restaurant operations specialist.

In 1952, American Restau-

rant Magazine ran a cover story on the phenomenal success of the McDonald brothers' new concept. They proceeded to franchise and open eight of the drive-ins in the West.

In 1955, a food service equipment salesman named Ray Kroc was granted exclusive rights by the McDonald brothers to develop and franchise McDonald's drive-in restaurants in the United States. Mr. Kroc opened the ninth McDonald's — his first — in the Chicago suburb of Des Plaines, Illinois, in April of that year.

Six years later Mr. Kroc bought from the McDonald brothers the proprietary rights to the McDonald's system, including all rights to it in the rest of the world.

There are now 23,000 McDonald's restaurants in 111 countries.

**Beryl Bryden, 78, Briton Called 'Queen of Blues'**

**LONDON (AP)** — Beryl Bryden, 78, the jazz singer who was dubbed "Britain's queen of the blues" by Ella Fitzgerald, died Tuesday in

St. Mary's Hospital in London of lymphatic cancer.

In a career spanning 50 years, Miss Bryden performed with many of the jazz greats, including Billie Holiday and Louis Armstrong.

A strong performer of songs from the classic period of the blues and vaudeville, she recorded more than 100 songs, including "Rock Island Line," with Lonnie Donegan, which sold two million copies in 1954.

She toured extensively in the United States in the 1970s.

**Nguyen Ngoc Loan, 67, Shot Captive in Saigon**

**SPRINGFIELD, Virginia (AP)** — Nguyen Ngoc Loan, 67, the South Vietnamese general whose summary execution of a bound prisoner was depicted in a photograph that stunned the world in 1968, died of cancer Tuesday at his home in suburban Washington.

The photo of General Nguyen aiming a pistol point-blank at the grimacing prisoner's head moments before the trigger was pulled on Feb. 1, 1968, became a memorable image of the Vietnam War. The picture, by Eddie Adams of The Associated Press, won a Pulitzer Prize.

At the time of the shooting, a month after the North Vietnamese had begun the Tet offensive, General Loan was the head of the South Vietnamese national police.

He told newsmen immediately after the shooting that the prisoner had been known to be a captain of the Viet Cong.

## \$20,000 Journalism Prize-Deadline Nears

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## ASIA/PACIFIC

## North Korea Is Barring Full Access to Nuclear Sites, U.S. Report Finds

By Philip Shenon  
New York Times Service

WASHINGTON — North Korea is refusing to allow international inspectors full access to its nuclear sites, raising concern that it will be impossible to determine if Pyongyang has hidden away enough plutonium to build nuclear weapons, congressional investigators said in a report.

The report by the General Accounting Office, an investigative agency of Congress, found that there were significant gaps in the inspection program imposed on North Korea after it signed a 1994 nuclear freeze agreement with the United States.

While the report did not directly accuse North Korea of reneging on the agreement, the authors questioned whether Pyongyang had placed sharp limits on the outside inspections because they feared the inspectors would turn up evidence that a nuclear-weapons program is continuing.

The North Koreans, they said, may be trying to destroy evidence that showed they had stockpiled a much larger quantity of plutonium before the 1994 agreement than they have previously acknowledged. Many arms-control specialists believe that the North Koreans may have built a bomb from their supplies of plutonium before they signed the 1994 agreement.

According to the report, which was presented to Congress last week, North Korea has refused repeated requests for information about the whereabouts of nuclear components that Pyongyang had planned to install in two nuclear reactors that were scrapped under the agreement.

The North Koreans have also refused to allow the International Atomic Energy Agency, the United Nations agency that conducts the inspections, to install monitoring devices on tanks used to hold nuclear waste.

The report warned that the North Koreans may have tampered with the tanks since the 1994 agreement and secretly removed some of the nuclear waste in an effort to hide evidence of earlier diversions of plutonium from the reactors.

"The danger is that the North Koreans already have nuclear weapons on the shelf," said David Albright, president of the Institute for Science and International Security, which studies nuclear nonproliferation issues.

He said that when the 1994 agreement was being negotiated, "not enough thought was put into verification, and that's why these kinds of problems have developed. It's well known among those who follow this issue that the North Koreans have not been cooperating as much as they should."

When the 1994 agreement was signed, many arms-control specialists and diplomats predicted that North Korea's government would take advantage of loosely worded provisions of the pact to prevent unfettered inspections of its nuclear sites.

In the past, North Korea has acknowledged that it held a total of about 90 grams (3 ounces), of plutonium, all of it from a one-time reprocessing of defective fuel rods. But American intelligence agencies believe the stockpile developed before 1994 is much larger, probably several kilograms — enough for at least two bombs.

Senator Frank Murkowski, Republican of Alaska, who requested the report in his role as chairman of the Senate Energy and Natural Resources Committee, said that the new study made clear that the 1994 nuclear-freeze equipment between North Korea and the United States was "folly."

Under the agreement, North Korea pledged to dismantle its existing nuclear program, including two graphite nuclear reactors under construction, in exchange for the American promise to help pay for the construction of two light-water nuclear reactors and the delivery of 500,000 metric tons

of oil a year. Light-water reactors are considered less dangerous because they produce little weapons-grade plutonium.

The North Koreans also promised to help the Atomic Energy Commission gather evidence to confirm the size of its plutonium stockpile.

Mr. Murkowski said the General Accounting Office report showed that "we may never know how much bomb-grade plutonium the North Koreans have diverted to their weapons program."

The State Department, which helped negotiate the 1994 agreement, said that while it generally supported the conclusions of the report, the Clinton administration is still hopeful that North Korea might be prevented from building nuclear weapons. "Yes, there have been troubles with the inspection program," said a department official. "But from our standpoint, what is crucial is that the North Korean nuclear program is frozen."

## Visas Denied Over Testing, India Nuclear Scientists Say

The Associated Press

BOMBAY — Four Indian nuclear researchers said Wednesday that they were denied visas to enter the United States and Britain in retribution for India's nuclear testing.

A spokeswoman for the U.S. Embassy in New Delhi refused specific comment, other than to say that U.S. law provided for the refusal of visas to people from any country believed to be trying to access nuclear technology.

R. Chidambaram, chairman of India's Atomic Energy Commission and a key figure behind the May tests, was not allowed to get a visa to attend the four-day annual executive committee meeting of an international group of crystal specialists in Arlington, Virginia.

Placid Rodriguez, director of the Indira Gandhi Center for Atomic Research, and Baldev Raj, a top scientist from the same institute, were not allowed to enter Britain to attend a meeting last week of editors of a scientific encyclopedia at Oxford University.

A third scientist from the center, N. Ravi, was not issued a visa for a June meeting in Britain. His trip would have been funded by the International Atomic Energy Agency.

"I do hope these restrictions will ease in time," Mr. Chidambaram said. "Scientists in general have always been open to international cooperation."

India's tests and Pakistan's follow-up blasts raised fears of a nuclear conflict in South Asia. India and Pakistan have fought three wars since 1947.

## Wheat Sales Get Green Light

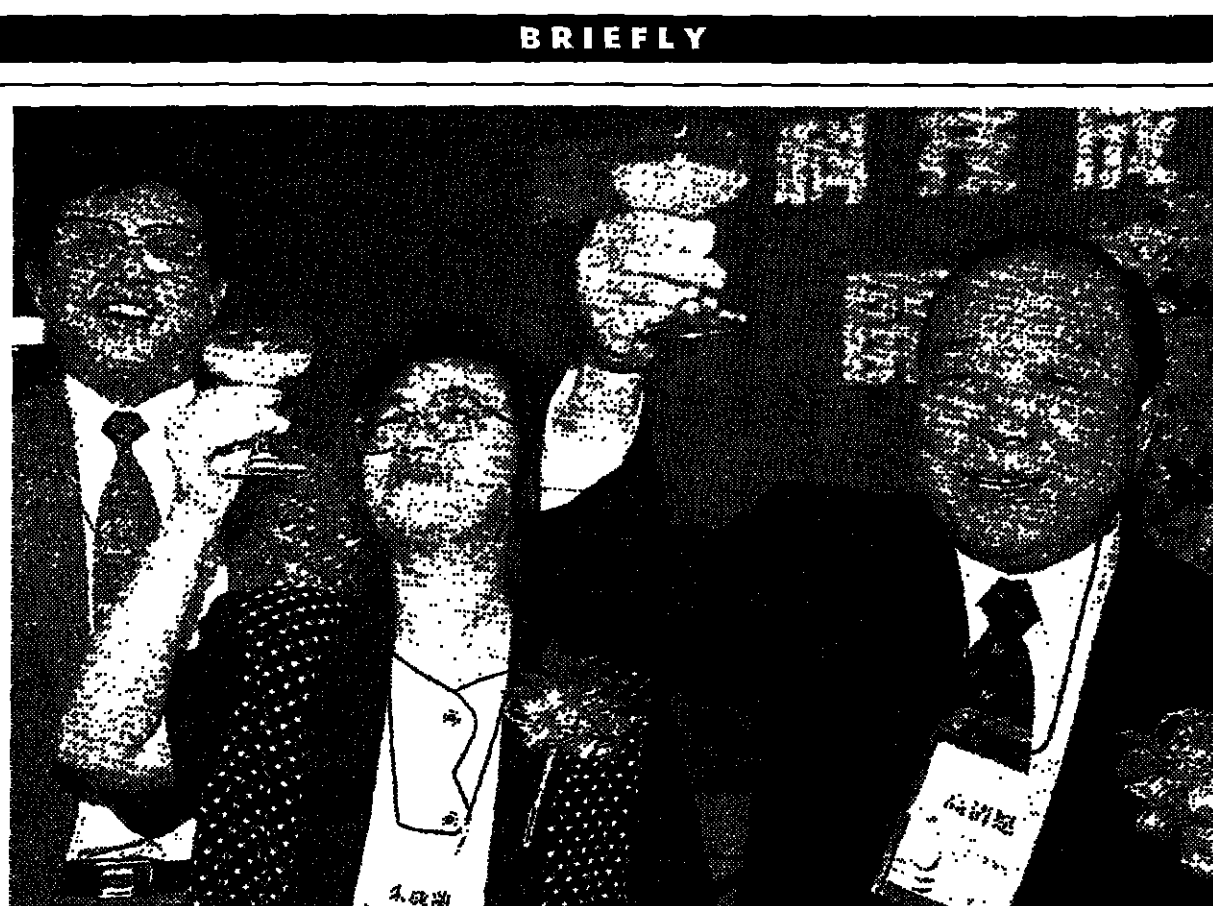
President Bill Clinton said Wednesday that he had signed legislation to restore U.S. export credits for agricultural sales to India and Pakistan, giving U.S. farmers a chance to sell nearly 13 million bushels of wheat to Pakistan, Reuters reported from Washington.

The credits were cut off last month as part of economic sanctions to discipline India and Pakistan for re-igniting the nuclear arms race.

"We need to make sure that our sanctions policy furthers our foreign policy goals without imposing undue burdens on our farmers," Mr. Clinton said in a written statement.

Mr. Clinton and Agriculture Secretary Dan Glickman were expected to meet Democratic members of Congress later on Wednesday to discuss how to respond to a farm crisis that has sent U.S. wheat prices into a nose dive.

Mr. Clinton said the bill allowed the United States to send a strong message abroad without ignoring the "real needs of those here at home." Pakistan is No. 3 among customers for U.S. wheat.



Zhu Lilan, center, China's science and technology minister, joining a toast Wednesday with the Taiwan tycoon Kao Chin-ye, right, at a Taipei meeting on technological exchange between Taiwan and China.

## China Official Urges Deals With Taiwan

TAIPEI — China's Science and Technology Minister Zhu Lilan, the highest-ranking mainland official to visit Taiwan since it split from China in 1949, called Wednesday for the archrivals to jointly develop technology industries of mutual interest.

In a speech before a science seminar organized by Taiwan's state-funded Industrial Technology Research Institute, Miss Zhu invited Taiwanese officials, industry leaders and experts to visit China.

She urged cooperation in such areas as technology transfer, the environment and land use. (APF)

## Direct-Vote Motion Fails in Hong Kong

HONG KONG — Hong Kong's legislature defeated a push for faster democratic reforms Wednesday, rejecting a call by Democrats to elect the full assembly and the chief executive by direct, popular vote when their current terms are up.

The motion, calling for fully democratic elections for the legislature in two years and for the chief executive in 2002, would have had no legal effect. However, it touched on one of the most

## China Official Urges Deals With Taiwan

pressing and sensitive issues facing the Hong Kong government after the return to Chinese rule last year.

Government officials can use the vote to justify their slow approach to expanding democracy.

The Democrats, Hong Kong's largest party, and their allies said the larger-than-expected voter turnout in May elections showed that people were ready for direct elections. (AP)

## Police Halt Escorts For Wealthy Filipinos

MANILA — President Joseph Estrada of the Philippines ordered the cancellation Wednesday of police escorts for wealthy businessmen and most government officials, saying they were inappropriate symbols of power in a democratic country.

Mr. Estrada, who has devoted his presidency to reducing the gap between the rich and the poor, also barred the use of sirens and flashing lights, and ordered police to stop any vehicles misusing them. (AP)

## Bangladeshis Cheer War-Ending Accord

DHAKA, Bangladesh — Beating drums and waving banners, nearly 25,000 people flocked to a soccer

stadium Wednesday in a show of support for a peace accord that ended two decades of bush war in southeastern Bangladesh last year.

"Peace has now returned to the southeastern hills," Prime Minister Sheikh Hasina, who signed the accord with tribal rebels in December last year, said to the cheering crowd at the rainsoaked Dhaka stadium.

The belated celebration was seen as a show of strength amid rising protests over the accord by the country's main opposition parties, which accuse the government of conceding too much to the rebels. (AP)

## China and U.S. End Naval Discussions

BEIJING — Senior Chinese and U.S. military officers ended two days of discussions Wednesday on how to avoid accidental armed conflict between the two navies.

The talks were the first of what are supposed to be annual consultations on maritime safety.

Washington proposed the discussions after China conducted military exercises in 1996 that included firing missiles into the sea around Taiwan. The United States sent aircraft carriers near the island as a warning to Beijing, and the two navies found themselves operating dangerously close to each other. (AP)

## JAPAN: Party Juniors Test Their Muscle

Continued from Page 1

selves. With the party's future up for grabs, its junior legislators are testing their political muscle, tentatively but eagerly, like teenagers taking a Porsche for a test drive.

In Parliament, or Diet, 90 members are more than 70 years old, and 16 members have died in office in the past four years. Before a major national election in 1996, Liberal Democratic Party leaders politely asked members over 80 to resign, and many did as the party tried to project a fresher face to voters.

According to party seniority rules and custom, it takes about a dozen years in office before a lawmaker is no longer considered a novice. So "young" or "junior" members are generally in their 30s, 40s or 50s and have served only a decade or less in office.

But this younger breed is not as patient as it used to be, and especially now that many see party elders endangering their chances of re-election, they are becoming more vocal. Unlike their elders, many have also studied at elite universities in America and Europe and are more outspoken. Many speak English or other foreign languages and have studied economics, management and foreign policy.

"The younger generation is more open-minded, independent and receptive to change," said Ichita Yamamoto, 40, a LDP upper house member who holds a master's degree in international relations from Georgetown University. "They are definitely changing the Diet process."

"I want to decide my own fate," said Yoshitaka Murata, another junior LDP legislator who attended the hotel meeting to discuss the party's new leader. Mr. Murata is 53 and has served in Parliament for eight years.

As party elders continue to hold their closed-door meetings, many are still reportedly leaning toward Foreign Minister Keizo Obuchi, 61, largely because his turn has come on the seniority ladder. There is, however, considerable worry that financial markets will shudder at the notion of the appointment of a political insider with little economic experience at a time of such crisis. Still, Mr. Obuchi's momentum seemed to build Wednesday. There were reports that he might formally announce his candidacy as early as Thursday.

Younger party members are not united on their choice, but many are leaning against Mr. Obuchi and toward a younger face. The most frequently mentioned name is the former health minister, Junichiro Koizumi, 56, a wavy-haired maverick who bucks tradition and would also be Japan's first divorced prime minister.

Mr. Koizumi is not a newcomer. His father and grandfather were cabinet members, and he has been in office since 1972. Mr. Koizumi holds an undergraduate degree in economics from prestigious Keio University in Tokyo and made his biggest splash in politics with his repeated calls for privatizing the na-

tional postal savings system. Japanese savers have almost \$2 trillion invested in savings accounts at the post office, making it the largest financial institution in the world's second-largest economy.

Mr. Koizumi believes the government should not be in the business of running such a system. But the postal system lobby has huge clout in the Liberal Democratic Party and Mr. Koizumi has been sharply criticized by LDP leaders for a stance that many in the party view as radical and potentially fatal to his ambitions to be prime minister. His popularity among younger members rises largely from his boldness in challenging the status quo.

Another candidate favored by younger LDP members is Yoshiro Mori, chairman of the party's decision-making General Council.

But in what may be a change that will last beyond next Tuesday's election for the prime minister, battle lines are being drawn in the LDP between an older generation that clings to the traditional way of doing things and younger one that says voters are demanding more.

Under attack at the ever enlarging meetings at the Akasaka Prince Hotel is the hallowed principle of secrecy. Many veteran party members believe the next prime minister should be selected out of the public view, chosen in private meetings of party factions headed by old style power brokers. Those who support that old-fashioned system argue that it projects the image of unanimity and strength, which voters and international investors are looking for, and produces the best candidate.

But others, especially newer members, argue that it is time for party decisions to come out of the shadows. They want deliberations about the next prime minister to be public, as well as candidates' positions on issues. This will help guarantee, they say, that a selection will be made on merit and policy considerations, not friends, connections and seniority.

The open system "portrays the right image," said Yoshimasa Hayashi, 37, an LDP upper house member. Mr. Hayashi said that participation of the younger generation in the process was adding a healthy "new dimension" to choosing the nation's leader.

Youth is figuring into the deliberations of all LDP members in another way, too: the youth of Naoto Kan, 51, the energetic leader of the Democratic Party, which was the big winner in Sunday's election. With elections for the powerful lower house to be held within two years, many LDP members dread the idea of voters already mad at the party choosing between the stale Mr. Obuchi and the effervescent Mr. Kan.

On Wednesday, Mr. Kan bounced along in the hallways of the lower house office building, beaming like a Boy Scout in dark green suit, in marked contrast to the unhappy, gray faces of the Liberal Democratic Party.

Asked about his future, Mr. Kan beamed and kept moving. "I'm doing my best," he said.

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## EUROPE

## U.S. Presses Case Against War Court

Two-Thirds of World Opposes Current Plan, UN Conference Is Told

ROME — The United States said Wednesday that the proposed permanent court to try war crimes emerging at a United Nations conference would be "unacceptable" to two-thirds of the world.

The chief U.S. delegate, David Scheffer, told a news conference: "We stand on the eve of the conference's conclusion without having found a solution. We fear that governments whose citizens make up at least two-thirds of the world's population will find the emerging text unacceptable."

He said Washington's overriding concern was that the court would not have jurisdiction over the nationals of states that did not ratify its statute, shielding U.S. soldiers from any risk of prosecution as long as the United States stayed out of the treaty.

"The United States and other countries have critical responsibilities around the world that are essential to the protection of civilian populations," he said. "A scheme that ignores these responsibilities is not going to serve the vital interest of the court."

While he stressed Washington still hoped for a broader agreement in the remaining days before the deadline Friday at midnight, human rights groups denounced his statement as an ultimate pressure tactic of threatening to abandon the conference and actively oppose the court.

"This is a threat to walk out," said Richard Dicker, spokesman for Human Rights Watch.

"But it is better that the United States walk out than that the others accept a crippled court," he said.

Japan, meanwhile, has drafted a text attempting to appease concerns of states like the United States and France that accept that the court should have the automatic right to try cases of genocide but not the same powers over crimes against humanity and war crimes.

The top French negotiator, Marc Perrin de Brichambaut, said this was a "very positive development."

## U.S. Pressures Europeans

Alexandra Stanley of The New York Times reported earlier from Rome:

The United States has been putting pressure on some of its closest European allies to limit the scope of the court.

Talking points said to have been prepared for Defense Secretary William Cohen, for example, suggested that if Germany succeeded in lobbying for "universal jurisdiction" for the court, the United States might retaliate by removing its overseas troops, including those in Europe.

Few Europeans took the threat seriously, believing that Washington would not abandon its commitments under the North Atlantic Treaty Organization to protect the formation of the international criminal court. And Germany was dropping its support for universal jurisdiction anyway after being persuaded by other European countries that it had too little support to end up in the treaty.

But the talking points underscore how fiercely Washington opposes the kind of court desired by some of its closest allies. The United States is leading the opposition to the proposal for a powerful court, with the support of France and some developing countries.

The Pentagon denied Tuesday that Mr. Cohen had threatened to withdraw troops from Europe. But the Pentagon spokesman, Kenneth Bacon, said Mr. Cohen had argued publicly against sweeping powers for the court.

Mr. Bacon also said Mr. Cohen had never seen "those talking points." Pentagon officials said they did not know where the document had originated and did not believe that it had come from their department.

Delegations from more than 160 countries have been negotiating the terms of a treaty at the conference in Rome. As the deadline for a compromise looms, some of the most crucial and contentious issues covering the court's power and jurisdiction have yet to be resolved.

As word of the talking points spread through the conference, it created a stir at a gathering already marked by tension and deep divisions.

Germany is one of more than 50 countries that have wanted a powerful court that could prosecute individuals in any country for crimes ranging from genocide to crimes against humanity and war crimes, whether or not their country signed the treaty.

The United States worries that its troops could someday be hauled before foreign judges on politically motivated charges, and has been lobbying relentlessly to limit the court's jurisdiction.

"Should the universal jurisdiction proposal be adopted by the Rome Conference, we would have to consider the implications for our overseas presence, including our commitment of forces to Europe," was how the American talking points expressed the U.S. position. They were prepared for conversations with German defense officials.

The talking points, dated last Thursday, were private, but a copy was made available to The New York Times.

Mr. Scheffer, the chief U.S. delegate, made the American position clear last week when he told the conference that the United States would countenance a permanent war crimes tribunal only if its automatic jurisdiction was limited to genocide.

Mr. Scheffer insisted that the United States would not allow the court automatic jurisdiction in crimes against humanity or war crimes. To investigate those charges, the United States asserted, the court would need the consent of the country involved. Nations that have not signed the treaty would have to agree before the court could act.

Even on genocide charges, Washington says the court would have jurisdiction only over countries that are party to the treaty. As the talking points put it, the prospect of the new court "pretending to have jurisdiction over our personnel, even though we are not a party, is completely unacceptable to the United States under any circumstances."



Peter Hintze, Christian Democratic party secretary, unveiling a poster on Wednesday showing an elephant bathing in Austria's Wolfgangsee, a lake resort where Chancellor Kohl is spending his vacation.

## Chancellor Tries the Jumbo Approach

The Elephant Is a Very Intelligent Animal, Kohl Party Leader Says

BONN — Helmut Kohl has appeared in many guises in his 16 years as German chancellor, but on Wednesday campaign managers looking for a jumbo lift in the polls portrayed him as a bathing elephant under the slogan "Keep Kohl."

The election poster, immediately ridiculed by opposition parties, was designed as a postcard from Mr. Kohl, on holiday at the Wolfgangsee lake resort in Austria.

Mr. Kohl, famous for his wide grin, was delighted with the poster, according to the general secretary of his Christian Democratic Union, Peter Hintze.

"The elephant is a very intelligent animal," said Mr. Hintze, unveiling the poster at CDU headquarters in Bonn. It reflects Mr. Kohl's lifestyle, "steadfast and sensitive, even if that's not obvious at first glance."

"Holiday greetings from the Wolfgangsee" runs the caption under the picture of an elephant spraying himself with cool, blue lake water.

The unveiling was timed to coincide

with the first of three one-day forays Mr. Kohl is to make to holiday resorts in an attempt to boost poll ratings that show him losing the Sept. 27 general election.

Mr. Kohl broke off his vacation Wednesday to make campaign stops along North Sea coastal towns in Lower Saxony state.

"We have to make Germany fit for the future," Mr. Kohl told a crowd of mainly elderly health-spa guests at Cuxhaven.

He drew loud applause for his stance on immigration and refugees.

Mr. Kohl said the world's problems could not be solved on German soil and he promised stricter controls on refugee claimants. He said foreigners who commit crimes in Germany should be deported.

Mr. Kohl's Christian Democrats and its conservative Bavarian ally, the Christian Social Union, have latched on to the immigration issue as a potential vote-winner.

The CDU/CSU alliance, in power since 1982, has so far failed to garner support by campaigning on its record.

Polls show it consistently between five and eight percentage points adrift of the Social Democrats and their candidate for chancellor, Gerhard Schröder.

"We are going for a jumbo economic upturn," said Mr. Hintze, reflecting the party line that the economy has turned the corner.

Mr. Kohl predicted on the eve of his vacation that unemployment would drop below four million by the end of year and that economic growth could top 3 percent. But the Federal Labor Office has cast doubt on Mr. Kohl's forecast.

The CDU has tried with two previous poster campaigns to close the gap on Mr. Schröder but the ratings have refused to budge.

This time it is hoping a touch of irony might help. But Mr. Kohl will need an elephant's thick skin, to judge by initial reactions.

"There's only one way to interpret this elephant in the Wolfgangsee," said the Social Democrats' campaign manager, Franz Müntefering. "Kohl's going to take a bath."

## Police Arrest 20 After Ulster Violence

Compiled by Our Staff News Dispatches

PORTADOWN, Northern Ireland — Police moved into the fields near the Drumreece Anglican church Wednesday, arresting more than 20 people and searching for explosives after another violent standoff with frustrated Orange Order marchers.

About 300 people massed at a police barrier overnight, and some threw gasoline bombs and fireworks at police and soldiers. The police said one man appeared to have a handgun, but no shots were fired. No injuries were reported.

Three adults and a juvenile were charged with offenses including criminal damage, obstruction and riotous behavior in connection with the disturbances at Drumreece, the police said. A spokeswoman at regional police headquarters in Armagh, speaking on condition of anonymity, declined to say exactly how many people were arrested.

Among the items seized by police were two crossbows, five slingshots, fireworks, five gallons (about 20 liters) of fuel and two spent 9mm cartridges. Members of the Orange Order say they will stay at Drumreece until they are permitted to march through a Roman Catholic neighborhood along the Garvaghy Road.

In the House of Commons in London, Prime Minister Tony Blair praised the police and called for negotiations to end the standoff.

"With a bit of goodwill and dialogue we can find a way around this, so that people can have their right to march, but at the same time do it in a way that is peaceful, unprovocative and where local residents' dignity is respected as well," Mr. Blair said.

David Jones, a spokesman for the Portadown Orangemen, said he was pleased the police operation had been carried out. "We still want an entirely peaceful protest," he said.

The clashes have become a nightly affair since July 5, when the Orange Order was banned from staging its parade from Drumreece church because of fears of disorder.

The order threatened to flood the area with tens of thousands of its members. But since the deaths of three young boys in a sectarian firebomb attack last Sunday in Ballymoney, many Orangemen have felt that mass protests are inappropriate.

Police said one of two men being questioned about the murders had been released without charge. The other was still being held.

The detective leading the hunt for the boys' killers, Hamilton Houston, said the attack "had come at the end of a week during which a number of Catholic families in the area had been the victims of a campaign of sectarian intimidation."

The killings of the young Quinn brothers by suspected pro-British "loyalist" bombers put pressure on the Orange Order to call off its hard-line supporters' often violent protests over the parade ban.

The violence threatened to wreck April's peace deal, which was intended to put a stop to three decades of sectarian and political violence in Northern Ireland that has cost more than 3,600 lives.

Despite calls from political and religious leaders in Northern Ireland and England, Portadown Orangemen say they will remain until they are allowed to march along the Garvaghy Road.

Negotiations conducted by intermediaries between the Orangemen and the residents of the Garvaghy Road broke down Saturday with no compromise over the Drumreece standoff in sight.

In London, four suspected Irish republicans appeared in court charged with trying to carry out a bomb attack in the capital last week. (AP, Reuters)

## Spain Shuts Down Media for ETA Links

The Associated Press

MADRID — A judge probing fund-raising activities for the armed Basque separatist group ETA shut down a newspaper and a radio station linked to the outlawed organization Wednesday.

Moving against the firm that owns the news outlets, the police also arrested 11 people in a series of pre-dawn raids around the northern Basque country and in the neighboring Navarra region.

The detainees are current

or former board members of Orain SA, parent company of the Basque daily Egin and the radio station Egin Irratia.

The police searched Egin's offices in the towns of Hernani, Bilbao, Vitoria and Pamplona, as well as the detainees' homes and the headquarters of Orain, officials said.

Judge Baltasar Garzon of the National Court later issued an order closing down

Egin and Egin Irratia, Interior Minister Jaime Mayor Oreja said at a press conference.

The minister said there were "close links and stable contacts" between Orain and ETA, which has been fighting to create an independent Basque homeland since 1968. Its bombings and other attacks have killed nearly 800 people.

In Hernani, where Egin has its main office, Orain's personnel director, Tomas Arizabalaga, said the police had disabled the paper's printing press there. Waving a copy of Egin, Mr. Arizabalaga said: "This is a historic Egin because it will probably be some time before the paper is published again."

A private press monitoring group says Egin has a daily circulation of about 52,000.

Egin regularly publishes statements by ETA, including its claims of responsibility for attacks.

In December, Spain's National Court found two Egin reporters guilty of weapons possession and membership in the ETA, and sentenced them to 39 years in jail each.

Among those arrested Wednesday is Pablo Gorostiza, a senior member of Herri Batasuna, a political party closely linked to ETA. Last year, 23 members of Herri Batasuna's executive board were jailed after being convicted of collaborating with a terrorist group.

Mr. Mayor Oreja said the raids were a follow-up to a May 28 police operation in which 11 persons were arrested on suspicion of aiding ETA's fund-raising efforts.

## BRIEFLY

## Bones of Czar and His Family Prepared for Burial Friday

YEKATERINBURG, Russia — Eighty years after Russia's last czar and his family were executed, their much-disputed bones were placed in small wooden coffins Wednesday and readied for a state burial alongside their royal ancestors.

President Boris Yeltsin was the driving force behind the plans for the burial, originally intended as a dignified way to close a bloody chapter in the country's turbulent history.

But the event has been dogged by controversy, and most of the country's leading religious and political figures — including Mr. Yeltsin — will not attend the services, which end with the burial Friday in St. Petersburg.

Czar Nicholas II and his family were executed by the Bolsheviks on July 17, 1918, in the central Russian city of Yekaterinburg, and their bodies were dumped in an unmarked pit until they were unearthed in 1991. (AP)

## Europeans Open Kosovo Talks

BELGRADE — The 54-nation Organization for Security and Cooperation in Europe Wednesday started talks with Yugoslav officials on a fact-finding mission as part of international efforts to resolve the conflict in the Serbian province of Kosovo. (AP)

## Cyprus Recalls Coup of 1974

NICOSIA — Sirens wailed in the Cypriot capital Wednesday on a day of remembrance for the 1974 coup engineered by the junta then ruling Greece, a coup that triggered Turkey's invasion and partition of the island. UN efforts to reunite the island have failed. (AFP)

## Police Accused in Gucci Case

MILAN — Benedetto Cernuso, 36, the alleged killer of the fashion mogul Maurizio Gucci, denied on Wednesday that he pulled the trigger and told a Milan court he was tortured by police bent on proving him guilty. (Reuters)

## For the Record

A Luxembourg man became the country's first victim of Creutzfeldt-Jakob Disease when he died in a hospital in Brussels, Parliament was told Wednesday. (AFP)

## Anglicans Face Clash on Gay Rights

The Associated Press

LONDON — A decade after a sharp debate on the ordination of women, the Anglican Church is heading for a global conference that could see a fight over the rights of homosexuals.

Although some bishops have ordained openly homosexual priests — and two gay men had their union blessed last month at an Episcopal church in New Jersey — other Anglicans regard homosexuality as an abomination and condemn the ordination of gays.

The Lambeth Conference, which begins Saturday in London and is held every 10 years, is the main forum for debate for leaders of the world's 70 million Anglicans.

Each national church is free to go its own way, as they have done in ordaining women.

Churches in Canada, New Zealand and the United States have elevated 11 women to bishops. Some bishops, however, have threatened to boycott any conference events involving the women bishops.

The Archbishop of Canterbury, George Carey, leader of the worldwide communion affiliated with the Church of England, hopes to avoid similar bitterness about the ordination of homosexuals by calling for more study and reflection on the issue.

"I am all too conscious that some will come wanting a showdown on the issue of homosexuality and seek categorical assurances from the assembled gathering for a final, definitive opinion,"

Archbishop Carey said earlier this year.

"I am sure this would be a serious error," he said. "Such a move would, I think, undermine the entire agenda and confirm the world's suspicions that we are obsessed with issues of gender and sexuality. Homosexuality will be considered calmly, theologically and in a Christian way, but we must not allow it to sideline such crucial concerns as the mission of the church in the new millennium, relationships with Islam, our ministry to young people and the urgent matter of international debt."

Bishop Duncan Buchanan of Johannesburg will preside over the debate on homosexuality, an issue he predicts "will throw its shadow pretty much over the present conference."

"There are some people who would want to say that the question of homosexuality is not fundamental to the faith," Bishop Buchanan said. "Other people would say it is. One of my jobs at Canterbury is to try to balance the whole lot of it."

The conservative position was stated by 80 bishops and other church leaders from the Southern Hemisphere who met in Kuala Lumpur in 1997.

They demanded that the church establish "a clear and unambiguous" stand that prohibits sex outside marriage and rules out the ordination of noncelibate homosexuals and the blessing of same-sex unions.

U.S. bishops affiliated with the traditionalist Episcopal Synod of America have

backed the Kuala Lumpur statement, and Bishop Jack Iker of Fort Worth, Texas, is among those who would like to see the Lambeth Conference adopt the same position.

Diametrically opposed but equally strong views are exemplified by Bishop John Spong of Newark, New Jersey.

Bishop Spong wrote to fellow bishops in November saying he feared the Lambeth Conference would adopt a position reflecting "our long-standing ignorance and fear, instead of out of the gospel imperative."

That drew a public rebuke from Archbishop Carey.

"You attack personally those of us who disagree with your opinion and in so doing you distort the theologies and reasons why we are led to conclude that there is no justification for sexual expression outside marriage," Archbishop Carey said.

"If bishops come to Lambeth wanting a showdown on this issue, I am quite clear that there will follow a very negative and destructive conflict which will put even further back the cause of the people you represent," he said.

Such thinking exasperates Desmond Tutu, the retired archbishop of Cape Town, South Africa.

"That is crazy," Bishop Tutu said in March. "We say the expression of love in a monogamous, heterosexual relationship is more than just the physical but includes touching, embracing, kissing, maybe the genital act. The totality of this makes each of us grow to become giving, increasingly Godlike and compassionate."

"If it is so for the heterosexual," he said, "what earthly reason have we to say that it is not the case with the homosexual, provided the relationship is exclusive, not promiscuous?"

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## TribTech

## Israeli Entrepreneurs Strike It Rich on Internet

Influx of Soviet Immigrants and Demise of Defense Industry Fuels High-Tech Explosion

By Dina Shiloah  
Special to the Herald Tribune

**TEL AVIV** — They are probably the youngest self-made millionaires in the Middle East: the four Israelis who founded Mirabilis Ltd., then sold the company and its ICQ software last month to America Online Inc. for \$287 million.

Arik Vardi, Amnon Amir, Yair Goldfinger, and Sefi Vigiser, who met after they had served their compulsory three years in the Israeli Army, have distributed ICQ free on the Internet since 1995. They will receive additional payments of as much as \$120 million from AOL starting in three years, provided that certain milestones are met.

The success of Mirabilis provides the latest evidence that Israel is becoming a force in the computer industry — high-tech exports accounted for more than a third of overall Israeli exports last year.

ICQ (I Seek You) enables subscribers dialing into the Internet to alert friends and acquaintances who are on-line at the same time. Users who find each other using the program can then exchange typed messages in real time. The program now has more than 12 million

subscribers — with thousands of chat groups set up by users themselves.

"ICQ users are very loyal, almost like fans of a pop group or supporters of a football club," said Yossi Vardi, chief executive of Mirabilis and father of one of the founders. "And they bring their friends. It's incredible — we're getting a million new users every 19 days."

The Mirabilis founders took a gamble when they decided to give away their program. "Getting the market share was the most important thing," said Mr. Vardi. "Our long-term strategy was to gravitate users to ICQ. We had 10 different scenarios in our head as to how the asset would be converted into value."

Until AOL bought the company, it had raised \$3 million through private issues. AOL's offer included the contractual promise — important to its founders — to keep the company in Israel, and retain all of its 70 employees.

Israel, a country of 5.8 million, has sprouted hundreds of high-tech companies that are producing cutting-edge Internet-related technology.

Israel has about 4,000 high-tech firms, 70 of which trade on Wall Street with a combined market capitalization of more than \$22 billion, according to

the Israeli Export Institute. The high-tech explosion was partly fueled by the influx of thousands of immigrants from the former Soviet Union in the early 1990s. Many of them were trained in computer programming and now serve as the backbone of the industry. Another push came, ironically, from the demise of the defense industry in Israel, which forced employees of government-run firms into the commercial market.

Meanwhile, the advanced military systems Israel uses creates a youthful, energetic high-tech work force straight out of the army. The three founders of another success story, GEO-Interactive, met in the Israeli Defense Forces.

"The IDF was, in a way, our university," said Eli Reifman, 28, the vice president of marketing and sales at GEO-Interactive.

The company makes Emblaze software, which delivers video, animation, and sound over the Internet in real time. The software compresses information so that it is able to move faster over the Internet.

The founders of GEO-Interactive raised money by borrowing through credit cards and taking loans from banks — asking their parents to sign guarantees. In October 1996, GEO-Interactive made an initial public offering on the Alternative Investment Market in London. Following an additional placement of 18 million shares last month on the London Stock Exchange, the company has a market capitalization of £156.5 million.

The GEO-Interactive founders raised their money by themselves, but many Israeli high-tech companies have had help from the state.

Successive Israeli governments have poured money into start-ups, assisting them with funds specifically for marketing and development.

Drew Tick, an entrepreneur from Jerusalem, quit his job to take a gamble on his idea — a "virtual newspaper" that delivers an electronic version of print publications directly to the user's PC. Mr. Tick wanted to produce a program that would make it look like the original.

Two years later, Mr. Tick's start-up company, Zebra Pushware Solutions, produced the Infopager, which has generated interest among newspapers and magazines all over the world, and now has a distribution agreement with International Business Machines Corp.

The stalled peace process does not seem to have had much of a negative effect on Israel's nascent high-tech industry. "Fortunately, people still invest here," Mr. Tick said. That is borne out by the figures. In 1997, high-tech exports brought in \$6 billion, or 34 percent of overall exports, figures from the Israeli Export Institute show.

## SITES

For a free trial of ICQ:  
[www.icq.com](http://www.icq.com)

For those new to the Internet who would like help with ICQ:  
[dSPACE.dial.pipex.com/town/avenue/rcm011icq.htm](http://dSPACE.dial.pipex.com/town/avenue/rcm011icq.htm)

For more about Emblaze software:  
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Yair Goldfinger, left, and Arik Vardi, two of the founders of Mirabilis.

## TECHNOLOGY INDEX

A glance at technology stock indexes around the world

	Tuesday close	% change previous week	% change year to date
North America			
Pacific Stock Exchange Technology	356.96	+2.85	+22.85
Standard & Poor's Technology Composite	945.88	+3.14	+35.14
Europe			
Morgan Stanley Eurotec	689.32	+78.95	
Asia			
Topix Electric	1824.83	+10.99	

Source: Morgan Stanley, Bloomberg News  
For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihl.com>. Articles include:

- Paper Money on the Net: One Billionaire's Primer, July 11-12
- A Struggle For Power At Telecom, July 11-12
- Yahoo! Internet Companies Are Worth More Than Anything Else — Maybe, July 11-12
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- Business Telecom Company Plans European Expansion, July 14
- High-Tech Team Quits Deutsche Bank, July 15
- C&W Seen Buying Entire MCI Net Unit, July 15

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to [tribtech@iht.com](mailto:tribtech@iht.com).

International Herald Tribune

## ALT / Commentary

## Shakeout of On-Line Services: One Will Do, Thanks

By Victoria Shannon  
International Herald Tribune

I cut off some pieces of my life the other day, parts that I once thought were vital organs. But I've reconsidered, and not only can I live without them, I think I'll be better off.

They are Microsoft Network, Prodigy and — most painfully — CompuServe. When I started writing about on-line services in 1994, I couldn't wait to

discover what new approaches and experiments the big on-line companies were trying on consumers in their efforts to make "on-line" a mass medium.

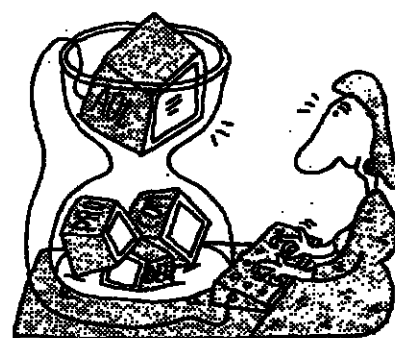
Which of them was thinking outside the box, and how? What were they doing with "chat," with meta-worlds, with CD-ROMs, with customer service? I felt that I had to be everywhere, to absorb the different communities, sniff around for originality. It was great fun.

But now, I finally concede that there is a sameness to the on-line world. Beyond the basic services of e-mail, e-commerce and "forums," or the various discussion groups, it all sort of washes together, and it's not as much fun trolling for ever-more rare fragments of ingenuity.

Many of you are surely saying, "So what took you so long?" Okay, okay, you're right — I was an avowed and unbiased cheerleader for the on-line world from the beginning. I was too forgiving, too patient and too hopeful — you might add naive — to give up earlier.

In my defense, I did drop my memberships in Delphi and Geie years ago. Do the names even ring a bell anymore? They were pioneers in the business of connecting consumers, but they were also dinosaurs that stayed on their feet without advancing. I also willingly ditched the Wow service before it perished and grudgingly parted with eWorld when it died.

But these other three — I thought —



Nicolae Andri

were different. I thought they had the money, talent, clout and name recognition to make me and millions of other people stay interested.

Don't get me wrong — I'm not declaring them dead, or even on life support. I just get little reward anymore from exploring more than one on-line service. If you're on them and they work for you, keep them.

But if you're on more than one, I think you're getting two makes of the same model, wasting your time and money.

So why give up these particular services? MSN has had technical, billing, e-mail and content troubles from the start. It has tried some cool and novel technical feats, particularly its noble effort to mimic a TV station, but only high-end Windows machines need apply, thank you very much.

And now, unlike at MSN's start, I no longer need to be an MSN member to

visit the Star Trek Continuum site on the World Wide Web. Hey, that's no small factor.

Prodigy is a big Web site these days. But I can visit a lot of big Web sites from any on-line service. In fact, I'm swimming in big Web sites. Before migrating its content to the Web, Prodigy had a cozy, homey feel to it. I think it's been lost in the translation.

CompuServe — sigh. I didn't think it would come down to this. But I can't see paying two monthly membership fees to America Online, regardless of how differently CompuServe's owner is "positioning" its more business-oriented service. And I personally prefer the AOL software and interface. So long, old friend.

So America Online stays as my default service — and it actually is almost by default. While visionary thinking is sure to be a part of the next edition of the software, I've been hearing AOL talk publicly about version 4.0 since at least January 1997. And that's a long time, in on-line years, to keep creative advances percolating behind the scenes.

The on-line service "shakeout" that business types have been forecasting for years has finally hit home for me. I'm down to one on-line service, even if the others survive.

My appetite for roving and roaming will be more than sated by the Internet as large. And it might make my e-mail more manageable.

*Victoria Shannon edits TribTech. She can be e-mailed at [tribtech@iht.com](mailto:tribtech@iht.com).*

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## • HOME COMPUTING: Two

services were started this week to help consumers shop for homes and mortgages on-line. Microsoft Corp. started a free on-line service called HomeAdvisor, while America Online Inc. and Intuit Inc. have collaborated to begin a new mortgage area on the AOL real estate center, featuring Intuit's QuickenMortgage program.

Microsoft said its service ([www.homeadvisor.com](http://www.homeadvisor.com)) streamlines the home-buying process, from finding an agent to choosing a neighborhood to qualifying for a mortgage on-line.

The Microsoft real estate network represents more than 500,000 home listings nationwide, with new listings added every day, the company said. The site draws on home listings from both national and local listing services.

The service created by Intuit and America Online is part of a three-year pact the two companies drew up in February to bring Intuit's personal finance offerings to AOL, the biggest on-line service. It provides comparisons of mortgages offered by as many as 11 different lenders.

## BRIEFLY



3-D GLASSES: Toshiba introducing a device Wednesday in Tokyo that captures three-dimensional images for computers.

any of these groups, the result of which would be counterproductive to all of us," he said at an EU copyright conference in Vienna.

Issues discussed at the conference include digital broadcasting rights, Internet piracy and how to protect copyrights when consumers can use new technologies easily to make copies of music or video recordings.

Music companies have called on the European Commission, the executive body of the EU, to toughen a proposed copyright law to help reduce digital piracy, which they say may soon overshadow their other concerns about illegal producers of compact discs in countries such as China and Bulgaria.

There are an estimated 8,000 illegal music sites on the Internet, which allow users to listen to or artists or their record companies, according to the International Federation of the Phonographic Industry.

The music industry says it is urgent to put in place appropriate copyright legislation to expand the use of electronic commerce. But some computer, telecommunications and consumer electronics companies argue that proposed EU rules would harm consumers.

(Bloomberg, Reuters)

• **COPYRIGHT CAUTION:** The European Union single market commissioner, Mario Monti, has pledged to take into account the views of all relevant industry sectors in drawing up copyright policy for the digital era.

Mr. Monti said this week that balancing the diverse intellectual property interests of groups ranging from artists and software producers to phone companies and Internet service providers was one of the toughest jobs he faced.

"We do not want an unbalanced legal framework to deter

• **SPAM HERE TO STAY?** A report by the U.S. Federal Trade Commission says e-mail users waste hours reading junk messages and describes the financial burden of sending them, but stops short of recommending strong measures to relieve clogged e-mail boxes.

The study, released Thursday, recommends that companies sending unsolicited messages be prohibited from trying to disguise the content or origin of their e-mail, which would allow people to better filter their incoming messages.

But citing free-speech issues, the report stops short of proposing an outright ban on unsolicited commercial e-mail, commonly called spam.

The FTC's report describes hours wasted by people downloading and reading junk messages. The process can be costly for Internet users who pay hourly connection fees, and it's expensive for Internet providers to store and transmit those unwanted messages across their networks.

The study was put together by an ad hoc group that included major Internet companies, such as America Online and AT&T, and groups whose members send junk e-mail. (AP)

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## Japan in the World

It is a strangled message that came out of Japan's elections on Sunday to the upper house. A large turnout delivered a sharp rebuke to the long-ruling Liberal Democratic Party, cutting its seats from 61 (of 126 contested) to 44. But with its dominance in the more powerful lower house unaltered, the party stays in power. Prime Minister Ryutaro Hashimoto has been forced to resign, but his party will furnish the new leader, and there is a widespread feeling that the next prime minister may be even less effective than, by consensus, he was. Nor is there anything like a coherent opposition capable of framing a salient alternative to the economic policies identified with LDP rule.

Many Japanese and certainly many of Japan's global economic partners, including the United States, are unhappy. They had hoped that for once the customary Japanese calls for reform would be backed up by a government capable of decisive leadership. Instead the stage seems set for a longer, more off-stage LDP run.

Japan's recession has produced genuine distress. Unemployment is rising, so are bankruptcies, and the mood is anxious-to-sour. The reforms on the agenda are not all that strenuous,

compared with what others similarly stressed have done. But the political system is slow to respond. Japan has a democratic system, but it remains a long way from having the two-party system that frames alternatives and facilitates national policy change when the time is ripe.

With reason, the United States has come to regard Japan, which has the second biggest economy in the world, as the necessary locomotive of a broad regional effort to pull Asia out of its current financial slump. A large part of American foreign policy rests on the reform of Japan's economy in order to stir fresh demand for its neighbors' exports. This is a further source of the displeasure marking the American response to the Japanese elections.

The Japanese built their great and prolonged postwar recovery on the back of the international economy. Now it is Japan's turn to play a leading role to keep the international economy growing for the benefit of its other members, especially in Asia. For the Japanese, reforms need to be regarded not as their own private preserve but as their essential contribution to the health of a world system that has treated them well.

—THE WASHINGTON POST.

## For a Strong Court

It is hard to understand why Washington is sabotaging the creation of a permanent International Criminal Court that would serve American interests. The White House should welcome a court now being negotiated by international delegates in Rome that could punish and deter international criminals such as Saddam Hussein.

The Pentagon, afraid that U.S. peacekeepers abroad will be subject to politically motivated prosecutions, is behind the American opposition. But the court will have ample safeguards to prevent frivolous cases. If the judges at the existing international tribunals for Bosnia and Rwanda are an indication, the court's justices will be sober. They will have to approve investigations and indictments. A country's own courts would take precedence over the International Court, which would cover only the most serious international crimes.

Washington is asking that no prosecution take place without the consent of the accused's government. This proposal, a retreat from current interna-

tional law, is supported by many of the rogue states that Washington abhors and is opposed by most democracies. It is easy to see why — imagine Yugoslavia having to agree before Slobodan Milosevic could be tried. The idea undermines the whole reason for the court, which is to have international law trump the impunity that international thugs win by force.

There is every reason to believe that the court would help protect rather than threaten the safety of American peacekeepers abroad. In Bosnia, for example, no American soldier has been killed in combat in part because the most violent men are not in political power but in hiding, after their indictments by the Bosnia tribunal.

If Washington remains opposed, other nations should proceed with the design and establishment of a serious court. The administration, for its part, should not compound its isolation by destroying world efforts to make this 50-year dream a reality.

—THE NEW YORK TIMES.

## Another Russian Bailout

Who does not feel uncomfortable supporting the Russian bailout now being promoted by the International Monetary Fund, the World Bank and the U.S. Treasury? Not that general agreement is lacking on the urgency of restoring Russia's economic health. But the instruments — international loans — available to serve this purpose have been tried before, with disappointing results. Russia has taken the money and asked for more but has only episodically made good on the reforms and policy changes that were supposed to be the quid for the quo of the loans. What assurances are there that it will be any different this time around?

The best case that can be mustered for the new \$22.6 billion in low-interest loans that Russia is being offered over the next 18 months is that some of the factors contributing to its economic slump are not of its own making. The Asian economic turmoil, for instance, and the falling world prices of oil and gas, Russia's big exports.

But other parts of the Russian equation are very much the country's responsibility. The slowness in boosting tax revenues, for instance, the hesitation to trim the budget deficit, the tardiness

of a list of internal reforms, including an inexcusable failure to provide legal protections for private foreign investment. These items are caught up in a bitter internal Russian political struggle that is not likely to be resolved soon.

In the end, nonetheless, the United States and the other lenders face an inescapable dilemma. There can be earnest promises but no guarantees that this time Russia will deliver on reform. Not to provide the new money, however, is to tempt default on large foreign loans, devaluation of the ruble and resulting chaos, perhaps even a coup, some Russians suggest — all in all, an unthinkable result.

The IMF bravely promises to make its economic judgments "in light of whatever decisions the Duma makes." The Duma, of course, is notorious for the resistance of its resident Communists and nationalists to Russian cooperation with the international lenders. Boris Yeltsin went right to Bill Clinton, Helmut Kohl and the others to induce the lenders to put up. These Western leaders are under a great burden to show that they are serious about getting their taxpayers' money's worth.

—THE WASHINGTON POST.

## Other Comment

### Stirrings in America

Most Americans are troubled about our country's civic and moral condition. During the past generation, many of our families have crumbled. Neighborhood and community ties have frayed. Many of our streets and public spaces have become unsafe. Our public schools are mediocre for many students and catastrophic failures for many others. Our character-forming institutions are ebbing. Much of our popular culture is vulgar, violent and mindless.

Political participation is at de-

pressed levels last seen in the 1920s. Less than 40 percent of the public expresses confidence in government. Blaming others often seems like an American pastime. In a time that calls for active citizenship, we are in danger of becoming a nation of spectators.

Yes, we need honest, honorable leaders to help renew our civic health. But we need self-government and citizenship as well. Millions of Americans agree. Throughout the nation, there are stirrings of a new movement of citizens solving community problems.

—William J. Bennett and Sam Nunn, in the Los Angeles Times.

## Foretaste of a New Political Direction in Japan?

By Patrick Smith

NORFOLK, Connecticut — Elections in Japan usually produce political custodians. Voters kick the dirt, resigned that nothing ever changes. For decades that proposition has kept the financial markets calm. But last Sunday's parliamentary elections were emphatically something new.

The Liberal Democrats retain their hold on power, but their loss of 17 seats in the upper house of the Diet was a rude triumph for the fragmented opposition, notably for the Democratic Party of Japan.

The DPJ gained nine seats, enhancing its place as a credible alternative to the long-serving Liberal Democrats. Its leader, Naoto Kan, is now unchallenged as Japan's most respected and dynamic politician.

But the true victory belongs to the Japanese. Long cast as pocketbook voters with no vision and an abiding attachment to the status quo, they have forced Tokyo and the rest of the world to recognize them as the only true agents of change.

This is salutary and scary all at once. It is now evident that the Japanese seek a fundamental shift in national direction when just such a shift is essential to global economic equilibrium. As one

may have suspected all along, it is the leadership in Tokyo that bridges against change — and in its own interests, not those of the electorate.

The vote also marks an advance toward a working, responsive democracy. At 60 percent, the turnout suggests that the Japanese are reawakening politically. What long appeared to be apathy now looks more like a season of political frustration that lasted for the duration of the Cold War.

What is bracing about Sunday's vote is precisely what is worrying. The closer Japan draws to fundamental change, the more evident it is that change of the kind it seeks is a long-term prospect. The question raised is urgent: With the rest of East Asia in crisis, can the world wait for Japan to rediscover its way?

No investor with exposure in East Asia can avoid the obvious anxieties. But they are no reason not to applaud what we are witnessing in Japan.

Anyone who views democracy as the sturdiest base for a sound social and economic system must accept that, as the Chinese say, we live in interesting

times. And uncertainty is the price of progress. In Japan's case, the alternative is to support the same uncountable, Confucian bureaucracy that produced the mess the Japanese find themselves in.

The LDP faces a conundrum that warrants close scrutiny. It has suffered a humiliating defeat for two reasons: because it refused to change Japan, and because it was beginning to change it.

The paradox is only apparent. Corrupt, complacent and intellectually vacuous, the LDP gained nothing but contempt among voters for its long refusal to alter a system that serves corporations, the bureaucracy and the political elite — the triumvirate that has prospered at the expense of democracy and the individual's interests.

When the LDP finally launched reforms, it was chiefly in response to U.S. pressure. Tokyo has consistently promised to carry out the kind of free market liberalization measures that Americans now favor, regardless of whether they suit the Japanese context.

The majority of Japanese, safe to say, want change. But they have little enthusiasm for "globalization" and the challenges to community life that it so often represents. Left to their own

devices, the Japanese would probably resemble the French more than the Americans when, many years hence, their reform agenda is completed.

Caught up in a celebratory mood, Americans will have an especially hard time grasping this dimension of Japan's political landscape. For a century and a half, they have looked across the Pacific and assumed that they discerned their own image.

Naoto Kan, the politician who gained most last week, is strikingly precise on this point. "Freedom and security are sometimes contradictory," he said when I met him in New York recently. "It's our challenge to reconcile these two — to find a free but secure society." He then quoted British Prime Minister Tony Blair on the wisdom of "a third way."

"Since the Cold War is over," he also said, "we don't need to think solely in terms of 'the West.'" In the end, he said, the Japanese will find their own way. This is the voice of an emerging Japan. And the Japanese have told us that we ought to listen.

The writer, author of "Japan: A Reinterpretation," contributed this comment to the Herald Tribune.

## Here Is an Invitation to Washington to Get on the Phone to Asia

By Tom Plate

LOS ANGELES — Japanese voters castigated their government's policies in a devastating blow to Prime Minister Ryutaro Hashimoto, who duly resigned. They deserve to know that their growing frustration with their country's direction is shared abroad.

The bold rebuke in upper house elections, which were a referendum on national policy, could provide Washington with a great opportunity to arrest the alarming slide in U.S.-Japanese relations.

In a globalized world, Japanese and other economies are joined at the hip. This election could prove vital to the world.

In eight years the Japanese have had seven prime ministers; they are about to have an eighth. America, Japan's foremost ally, has become virtually resigned to the view that the Japanese political system is so frozen that it makes scant difference who is in top.

A Clinton administration official confided, regarding the

previously scheduled late July summit that had been organized for Mr. Hashimoto, "We were planning the visit and we said: What the hell are we going to say to the prime minister when he's here? Their system just won't change, the economic crisis is getting worse, it's a very bad scene between us."

Now the Clinton administration does not have to worry about what to say to Mr. Hashimoto. But it does need to keep talking to Japan. A grave split in Tokyo-Washington relations could be catastrophic.

It is vital to look on the bright side. The message of the ruling party's defeat in Sunday's voting was clear: It's the economy, stupid.

America has an obligation to try to connect with that anger, especially before Americans become terminally frustrated with Japan.

U.S. Treasury Secretary Robert Rubin is thinking of

heading back to Wall Street. His chief deputy, the former Harvard professor Larry Summers, or top-notch U.S. Trade Representative Charles Barshefsky could step smartly into his shoes. But Mr. Rubin owes it to the president and the country to stay for the duration.

Whatever his mistakes, such as failing to react promptly to last year's Thai currency collapse, he probably is the most realistic of President Bill Clinton's close advisers.

Knowing the stakes, Mr. Rubin will want to fight two big impediments to recovery. In America there is the incompetent Congress, now foolishly balking at providing more money for the Asian bailout effort. And across the Pacific there is the clueless Japanese political establishment, which needs to be constantly pressured to stop dithering as Asian economies sink in the East.

The Japanese are so much

more capable than this, and they have the money to get their economy moving forward again. What is missing is the leadership at the top.

Mr. Rubin should put together a major effort to jar Tokyo out of its lethargy and so achieve a higher level of regional consensus about the crisis. His boss needs to chair a crucial series of long, well-prepared and frank telephone conferences with the principals of the Asian financial crisis.

That would include China's economic czar Zhu Rongji, because a Chinese currency devaluation would prolong the crisis; President Kim Dae Jung, because South Korea is too big and too important to fail; Hong Kong Chief Executive Tung Chee-hwa, because suddenly the former British colony is in economic trouble; Malaysia's Mahathir bin Mohamad, an essential player in any true regional consensus-building; Singapore's Finance Minister Richard Hu ("They

## Voters in the Old Communist World Want the Market

By Anders Aslund and Simon Johnson

WASHINGTON — The night recently won a surprise majority in the Czech Parliament, soon after the right won parliamentary elections in Hungary. Yet this past spring the talk was of old Communist parties having made comebacks in parliamentary elections in Moldova and Ukraine.

In fact, old Communist parties are doing far worse in democratic elections than is generally perceived. Of 16 countries with democratic elections in East-Central Europe, outside of former Yugoslavia, an old Communist party is ruling in only one, Albania.

There, the prior nonsocialist government virtually handed the Socialists their victory last summer, after having abandoned democracy and brought the country close to civil war.

Former Communist parties have lost power through par-

liamentary elections in no fewer than six post-Communist countries in the two last years.

In Bulgaria and Romania, socialist governments discarded reform and brought the economies to high inflation and collapse in output in 1996 and 1997, as little or no reform was pursued, and the voters punished them. In both countries, the socialist vote was roughly halved to 22 percent, and on the basis of popular support the new nonsocialist governments brought about radical economic reforms. Socialist parties that are in power and refuse to reform seem condemned to lose.

In Poland, Lithuania, Mongolia and Hungary, Communists veered in a social democratic direction, and pursued relatively successful market economic reforms. Even so they

were beaten. In Lithuania, the Communist share of the vote collapsed from 43 percent in 1992 to barely 10 percent in late 1996. In the other Baltic countries, successful reformers Estonia and Latvia, the Communist parties have disintegrated.

The two former Communist parties that are doing best in democratic elections are arguably the Polish Democratic Left Alliance (27 percent in 1997) and the Hungarian Socialists (32 percent in May 1998). These two parties have been turned into right-wing social democratic parties, and they are defending the free market and privatization more than some conservative competitors.

Another group of old Communist parties that are doing reasonably well are unreformed parties in not very reformed

countries. Russia, Kazakhstan, Ukraine and Moldova have introduced market economies but so far failed to achieve significant growth because of too little reform. People did not really vote against reform but rather against the misery of poverty, corruption and stagnation.

Even so, not all too many have voted for the Communists — in Moldova 30 percent, in Ukraine only 25 percent; and in Russia the Communist vote seemed to peak in the presidential election in July 1996, when the Communist candidate Gennadi Zyuganov got 40 percent in a run-off. The Communist vote potential seems surprisingly limited even in these stagnant countries.

This is brought out by regular opinion polls by the European Union in 17 former Communist countries. They show a persistent substantial majority for faster reform in virtually all countries polled. Similarly, people tend to vote less socialist in regions that have had the most reform.

Sometimes it takes time and a lot of socialist shenanigans before people realize what is going on — as in Bulgaria and Romania. But sooner or later people seem to understand.

Even under disastrous economic conditions, as in Ukraine, the Communists appear to be unable to broaden their appeal beyond their traditional electorate.

In the Russian presidential election in 1996, only one in

five young voters cast chose the Communist candidate, while a majority of the pensioners voted for Communists.

A transformation into a social democratic party of a West European type would appear the natural road for an old Communist party. But only the Polish, Hungarian and Slovak parties have succeeded in this switch and attracted significant support.

The only new social democratic party that has emerged is in the Czech Republic; it has just won 32 percent in the parliamentary elections. But even with Communist support, that is not enough to form a government.

Thus, only the Central European countries, which are closest to Western Europe, have social democratic parties.

For the rest, the old Communist parties are facing disintegration as in the Baltics, ideological and electoral stagnation as in Russia and Ukraine.

The simple truth is that most voters in the region want faster and more radical economic reform, and the best cure against Communist threats remains democratic voting and radical market reform.

## Unintended Consequences in Mongolia

By Dean R. Hirsch

SEATTLE — For more than three generations Mongolia was a Communist state. The government ran nurseries, day care centers, schools, factories and collective farms. Such facilities were spartan and authoritarian, but they provided a minimal social safety net.

That safety net began unraveling in 1990 as Mongolia began an abrupt transition to capitalism. Among the victims are several thousand homeless children. They squat in stairwells, entryways and basements in Ulaan Baatar, the capital. And about 500 live in underground utility holes.

I recently lifted a manhole cover and descended to meet children living atop huge hot water pipes. Their quarters were dark, damp and foul-smelling. Their clothes were filthy, their hair matted.

By day they forage for food and pick pockets. At night they bed down on wooden planks placed on top of the pipes.

A 1997 survey by the World Bank found 16 percent of Mongolian families living in absolute poverty. As much as a third of the labor force is underemployed or unemployed.

Poor nutrition, ill health, alcoholism and domestic abuse are widespread.

Vegetables, fruit, milk and milk products are beyond the means of most Mongolians. A recent nutrition survey found that a third of the population had not consumed any vegetables in the previous month.

As a result, many children suffer from Vitamin D defi-

ciency, anemia and lack of iodine. Birth weights are low. And the infant mortality rate, which fell in the waning years of communism, has risen.

From 1990 to 1993, Mongolia's GDP declined by 25 percent. The unresponsive, centralized economy still in place had not adjusted to the withdrawal of an annual Soviet subsidy of \$900 million. From 1990 to 1996, grain production, a key barometer in a nation whose diet depends on flour and mutton, fell by 70 percent.

Parliamentary elections in 1996 resulted in Mongolia's first non-Communist government in 75 years and set the stage for a bold program of economic and political reform. But a young, enthusiastic leadership faces a formidable task.

Civil society is weak. Laws are outdated or unenforced. The commercial banking system is antiquated. Commerce is hampered by extreme distances, a sparse population, poor infrastructure and limited purchasing power.

Mongolia does have considerable potential. The economy is relatively well diversified, with agriculture, mining and services each accounting for about one-third of GDP. There are sizable reserves of oil, copper, gold and other minerals. Arable land is in short supply, but Mongolia has abundant livestock and grazing lands.

The population is educated, with an adult literacy rate that

exceeds 90 percent. And the government is genuinely committed to democratic reform.

Its challenge is to create a broad-based, free market economy that will benefit all Mongolians. A centerpiece of the government's strategy is a development plan whose objectives include reducing poverty, generating employment, improving health care and helping more students to complete primary education.

Major funding has come from the World Bank and the Asian Development Bank. But there has been little private foreign investment. Assistance from the private sector and nongovernmental organizations is vital if the government is to meet its ambitious objectives.

Many nongovernmental organizations operate health, child care and nutrition programs. Some now are exploring programs to encourage suburban vegetable and livestock production, enhance cereal yields, rehabilitate water wells and assist micro-enterprises.

But Mongolia will need much more help. The world was eager for the freedoms that the end of the Cold War would bring. It should now be willing to ameliorate the unintended consequences.

The writer is president of World Vision International, a Christian relief and development organization with more than 4,000 projects in nearly 100 countries. He contributed this comment to the International Herald Tribune.

Mr. Aslund is a senior associate at the Carnegie Endowment for International Peace. Mr. Johnson is an associate professor at the Massachusetts Institute of Technology. They contributed this comment to the International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: Shooting Season

PARIS — According to the *Daily Telegraph*, the coming grouse shooting season in Scotland gives promise of proving one of the best for some years past, the birds having nested well and being uncommonly free from disease. Deer, too, have had a favorable winter, blackcock are plentiful, hares are scarce in some parts, but rabbits are described as being the "perfect pest." Thus the outlook for sportsmen is encouraging.

### 1923: Eight-Hour Day

NEW YORK — Judge Elbert H. Gary, head of the United States Steel Corporation, announces that the eight-hour day for steel workers will begin in six weeks, time being needed to reduce the twelve-hour shift and get the three shifts working correctly. Colored workmen from the South, and Mexicans and South

Americans, have solved the labor problem and can be trained quickly for most of the work. Only recently Judge Gary stated that there was little chance of doing away with the twelve-hour day owing to lack of labor by immigration restrictions.

### 1948: Air Lift Continues

BERLIN — British Air Force authorities planned tonight (July 15) to hunt the powerful Lancaster heavy and Lincoln super-heavy bombers into the Western Allied air lift as the Russians reportedly had placed an eight-week deadline on ousting the Western powers from Berlin. The Russians have already given every effort to halt the Western air supply. They have publicly described the air lift as "a flamboyant but hopeless gesture" and have put out propaganda that the Western powers will not be able to keep it up.

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## OPINION/LETTERS

## In Newsroom Culture, Something Is Wrong

By Richard Harwood

WASHINGTON — It would be a mistake to assume that there is a quick fix for the problems that have led to recent journalistic fiascos. They are the product of a corporate culture that often seems impervious to change and oblivious to its own failures.

Nearly 20 years ago a glaring operational weakness in the news business in America was revealed in the Janet Cooke case and a series of less-publicized incidents at about the same time. Ms. Cooke won a Pulitzer Prize for The Washington Post for a story about an 8-year-old heroin addict that lacked only one thing: the truth.

What happened at The Post — the erosion of the editing function — was happening all over the country. More stories were being based on anonymous sources and on a naive faith that journalists were honest and noble creatures. At the same time, editors were becoming increasingly permissive in allowing reporters to claim up when asked to identify their sources.

We journalists did not want to believe that news organizations, like other institutions, had their share of liars, plagiarists, thieves and incompetents. They may be harder to unmask in journalism than in other occupations because our standards are ambiguous. The plumb line leaving the leak unpaired, the surgeon performing too many operations and the lawyer absconding with funds held in trust are more likely to be detected than the reporter quoting nonexistent sources.

Journalism also has attracted its share of zealots who set out to prove a thesis regardless of the evidence. That is what happened at the San Jose Mercury News two years ago when it published a series based on the thesis that the CIA was behind the crack epidemic among blacks in Los Angeles.

It happened this summer to Time magazine and CNN when they collaborated on a piece, since retracted, accusing a U.S. military unit of using poison gas on a 1970 mission in Laos.

It happened to NBC a few years ago when it used film to "prove" that General Motors had made trucks with unsafe gasoline tanks. One truck exploded on camera — a dramatic moment but a hoax.

The vehicle was rigged to blow up by technicians hired by NBC.

All these problems persist in the U.S. news business today. A popular explanation, especially in the case of broadcasting, is corporate pressure. Networks are obsessed with ratings and audience size, which determine advertising rates and profit margins, so things are broadcast that should not have been.

Newspapers and magazines are in a similar situation, beset by declining circulation and searching for ways to regain lost ground.

But the hoaxes and fabrications of recent months cannot be explained solely as responses to economic pressures from on high. Something basic is wrong with this sort of journalism year after year.

Part of it is the "New Journalism," often called the "art of personal reportage." It grew up in the 1960s and was developed by writers including Norman Mailer, Truman Capote and Tom Wolfe.

As this genre invaded newsrooms, it endowed lesser reporters and writers with room to employ fictional techniques in the service of "realism," "meaning" and "truth," blurring the definition and function of journalism itself.

Part of the problem is also the sheer bigness of today's media companies. Newsroom executives take on corporate habits, devoting much of their working lives to meetings and "planning sessions," to budget battles, to the development and care of "new products," to "community outreach," to "sensitivity training" and to personnel counseling.

Often little time is left for editing and questioning stories as well as for enforcing by example the standards on which good journalism depends. These functions too often are delegated to people unqualified to perform them; as we have seen in the events of the past few months.

In the wake of the Janet Cooke incident in 1981, Norman Isaacs, a prominent critic of the "permissiveness and arrogance of the 'New Journalism,'" made an observation that is relevant today: "What we need are not reporters' newspapers but readers' newspapers — and what it takes to create them is good editing."

The Washington Post



## LETTERS TO THE EDITOR

## The World Cup

Not since Jawaharlal Nehru unfurled the flag of India's freedom over the Red Fort in Delhi have I seen such an enthusiastic mass of people as the millions celebrating France's World Cup victory in Paris.

The victorious French team, prominently featuring descendants of immigrants, represents a severe setback for Jean-Marie Le Pen's "nationalist" movement — just as secular India was a triumph over the communal reactionaries who killed Mahatma Gandhi.

MADANJEET SINGH,  
Paris.

Regarding "A Great Unity Show, but America Times It Out" (Opinion, July 14) by Geoffrey Wheatcraft:

Soccer leaves most Americans cold because it fails to stimulate the

U.S. appetite for statistical evaluations of performances. Until soccer can find a way to track corners, saves and yellow and red cards, it has no chance of ever satisfying America's numerical obsession.

PETER M. LUTTERBECK,  
Lugano, Switzerland.

Regarding "And Now, Time for the Rating Game" (Sports, July 13) by George Vecsey:

Mr. Vecsey is a splendid writer and his World Cup coverage helped to enliven the event, which all your writers covered brilliantly. But as an American expatriate, here is an admonishment to the worldly-wise Mr. Vecsey: Do not come to these European shores bearing ethnocentric or politically correct grudges concerning smoking.

Mr. Vecsey, while fully entitled to loathe cigarette smoke, merits a 3.5 (on his 1-to-10 scale) for his anti-smoking vitriol. The French

## Travelers as Kidnapping Targets

By Ann Hagedorn Auerbach

WASHINGTON — In the summer of 1995, the FBI agent Leon Schenck traveled to Kashmir to help negotiate the release of four Western tourists snatched from their campsites after a day of trekking. It was a harrowing case that showed how easily tourists can fall into perilous circumstances and how difficult it can be to resolve kidnappings in foreign lands.

The kidnappers were Islamic militants fighting for Kashmir's separation from India. The tourists were pawns in the militants' attempts to pressure the Indian government into freeing some of their imprisoned supporters.

The tourists — two American and two British men — were abducted on July 4 and whisked to a mountain hideout. A few nights later, under the cover of rain and darkness, one of the Americans crept past his sleeping guards and escaped.

The militants then captured two more hikers from the Himalayan hillsides, a Norwegian and a German.

By the time Mr. Schenck was en route a month later, the militants had murdered the Norwegian tourist, Hans Christian Ostro, leaving his decapitated body on the outskirts of a mountain village.

On the plane, as Mr. Schenck thought about the dangers ahead,

he fell into a conversation with two trekkers.

"I was shocked," he said later. "I asked them if they knew what was happening in Kashmir. They looked at me, I swear, almost with an air of excitement. 'Yes, we know, but we aren't worried.' The trekking areas are fine."

## MEANWHILE

We'll be fine. I couldn't respond."

Kidnapping is a greater threat to Americans working or traveling abroad than is commonly known, although the threat varies from country to country.

Several factors have contributed to the rising danger. The booming Western economy and the end of the Cold War have made international travel available to more people. More companies are sending employees to unfamiliar locales. These well-heeled Westerners become alluring targets for drug traffickers seeking ransom money to fund criminal activities, guerrillas seeking to pay for weapons.

As business travelers take steps to protect themselves — many learn kidnapping prevention techniques, drive armored cars and hire bodyguards — they have become what is known as "hard targets."

The quintessential "soft target" is the tourist. Unprotected and often distracted, the average tourist is easy to spot and easy to lure.

As the peak of the summer travel season nears, it is important to draw attention to the kidnapping threat and to the reality that governments are sometimes powerless, inept or unwilling to deal with such crimes.

In a recent advisory on Colombia, for example, the U.S. government warned travelers: "Since it is U.S. policy not to pay ransom or make other concessions to terrorists, the U.S. government's ability to assist kidnapped Americans is limited."

No government has been able to determine the fate of the remaining Kashmir hostages, much less obtain their release — if any are still alive.

Those in the field have no doubt that abductions are increasing. Consider that during the 1970s and 1980s, when kidnappings

were bigger news, Colombia and Italy led the world in kidnaps, with 1,011 and 433 reported incidents, respectively, for the 10 years from 1976 to 1986.

Last year, there were nearly 1,800 abductions in Colombia, which is still considered the world leader in the crime, and as many as 1,500 in each of the countries vying for number two: Brazil and Mexico.

In the past five years, according to analysts at several private negotiations firms, abductions of foreigners have doubled. Ransom demands are rising, too. Pinkerton's, which issues an annual report on kidnapping and other political violence, estimated that kidnappers demanded \$70.4 million in 1996, compared with \$41.2 million in 1995.

So-called "fast food" kidnappings, in which a person is snatched off the street and taken to a bank machine for a cash withdrawal, has become a popular technique in Mexico City.

In some countries where longer-term kidnappings occur, such as Brazil, there are "hostage hotels" — houses stocked with food and medicine, operated by kidnapping gangs.

Countries undergoing social, economic and political transitions tend to be hot spots for kidnapping. As wars have ended, armies of well-armed soldiers and rebels have become unemployed. Such warriors do not generally become real estate agents or accountants.

Control Risks Group, a London-based investigations firm that works on kidnapping cases, says its list of the most dangerous countries for kidnapping includes Colombia, Brazil, Mexico, the Philippines, Pakistan, Guatemala, Venezuela, India and Ecuador. Russia is moving up on the list and Yemen is widely known as a country where tourists, in particular, are at risk.

I am not suggesting that people should stay home. But too many tourists are venturing forth without the knowledge, skills or humility to know what they might encounter. If you arm yourself with information and training, you can travel to most places without fear.

The writer is a former Wall Street Journal reporter. This article is based on her new book, "Ransom: The Untold Story of International Kidnapping." She contributed this comment to The Washington Post.

## BOOKS

**CAPITAL DILEMMA:**  
Germany's Search for a New Architecture of Democracy  
By Michael Z. Wise. 190 pages. \$25.  
Princeton Architectural Press.

**BERLIN AND ITS CULTURE**  
By Ronald Taylor. 416 pages. \$39.95.  
Yale University Press.

**FAUST'S METROPOLIS:**  
A History of Berlin  
By Alexandra Richie. 1,139 pages.  
\$37.95. Carroll & Graf.

Reviewed by Richard Breitman

SEAT of the Hohenzollern dynasty in Brandenburg/Prussia, capital of Imperial Germany and of two very different 20th-century successors, and epicenter of the Cold War in Europe, the city of Berlin has had a long and turbulent history. With boundary changes brought about by World War II, Berlin is no longer in the middle of Germany but quite near its Polish border. Any history of Berlin must consider not only the city's changing characteristics, but also its relationship to its own state.

In "Capital Dilemma: Germany's Search for a New Architecture of Democracy," the most current of the three books considered here, Michael Z. Wise assesses how the German state has recently presented itself in built form.

The Nazi experience discredited monumental neoclassical architecture in West Germany and West Berlin. A would-be architect, Hitler not only authorized the construction of grand new buildings to strengthen state authority but also designated Albert Speer to redesign Berlin in a way befitting the capital of a vast world empire. Only wartime shortages prevented such monstrosities as a gigantic domed building projected to accommodate up to 180,000 people and a new north-south axis bisecting the city.

The surviving Nazi-constructed buildings and those of communist East

Berlin, some of which also reduced the individual into insignificance, left an uncomfortable legacy. To destroy the old and to construct anew was not only immensely costly; it also raised the specter that a unified Germany was trying to bury and forget the worst elements of its history — as the Nazi regime and the East German government had once tried from different perspectives. In 1950 the East German authorities had destroyed the former Hohenzollern royal palace in Berlin, denouncing it as a reminder of an inglorious past. Should one now erase the visible traditions of the former East German citizens?

Wise concisely and ably details the blend of considerations — political sensitivities, environmental concerns, historic preservation, efficiency and comfort, and architectural creativity — that constrain but inform discussions and decisions about visible political symbols in the new Berlin, which will become the seat of government next year.

A retired professor of German who taught at the University of Sussex, Ronald Taylor covers Berlin culture from the 13th-century origins until the 1990s. Offering the bare minimum of political/diplomatic events — only enough to understand the context in which Berlin developed — Taylor manages to describe and analyze art, architecture, music, literature, theater, and at times popular culture as well.

Some of his generalizations about the Zeitgeist may not bear too much scrutiny, and transitions in such a broad survey are a little ragged at times. But the flaws hardly matter. This book has the texture of a stimulating set of extended, illustrated lectures on arts and letters centered in Berlin. Taylor and Yale University Press deserve compliments not only for the clarity and quality of the 149 reproductions but also for their placement — as close as possible to the relevant portions of the text. Both those familiar with German culture and those seeking to learn about it can enjoy Taylor's learned tour.

Taylor touches on some broad

themes. With certain exceptions, the Hohenzollern dynasty sought to enhance its and Prussia's reputations through culture in the capital through commissions and other forms of encouragement. Some styles and movements took better than others. Taylor accepts the view that the Enlightenment and Frederick the Great had a particularly strong impact on the city and its inhabitants, and that Berlin pursued modernism and the avant-garde in the 1920s with a vengeance. As a result, the city was frequently not typical even of other German cities, let alone of German culture generally. Nineteenth-century romanticism and its 20th-century offshoots had relatively little influence on a city that valued — although did not always practice — pragmatism, skepticism, and irony.

Alexandra Richie's gargantuan study of Berlin is primarily a political and social history. Some material, such as her discussion of early German and Slavic settlement and interaction in the region of Brandenburg, should be unfamiliar to most readers. In covering Berlin from the 1980s to the present, Richie draws effectively on her own experiences in both West and East Berlin, as well as on published sources, to present the feel of the city. The bulk of the work, however, treats Berlin from the 16th century through the Cold War — ground that many others have traversed.

This book contains too many stories and too many errors. The French sent troops into the Ruhr in 1923, not 1922. Joseph Goebbels did not succeed Hitler as chancellor in the final days of the Third Reich. And despite all the research that went into the book and the mountain of information presented, one is left with serious questions about Berlin's place in German history as a whole.

Richard Breitman, a professor of history at American University whose latest book, "Official Secrets: What the Nazis Planned, What the British and Americans Knew," will be published in October, wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

ONE use of a weak two-bid is to direct a lead. The one shown in the diagram was decidedly different. It undirected a lead to the player who made the bid.

It occurred in the New York final of the Grand National Team Championship, played at Honors Club. West, whose two-diamond opening was obviously influenced by the favorable vulnerability and the third-sear situation, was Jim Canine. His partner, substituting most effectively for Alan Sontag, was Jacqui Mitchell. Together with Dav-

id Berkowitz and Larry Cohen, they won the final by a wide margin against a group led by Nancy Schwartzes, and will represent New York in national playoffs in Chicago this month.

There are times when one should believe an opponent, and this was one of them. South's three no-trump bid suggested that he was well prepared for a diamond lead, so Canine tried a small spade. When dummy played low East won with the queen and shifted to the diamond nine. South played low, and West won with the jack and looked for fresh fields to conquer. He tried the heart 10, and South

finessed the queen. But he was having no luck at all. The queen lost to the king, and East reverted to diamonds. Another finesse predictably lost. West established his diamonds, and South made the seven tricks he began with. Down two.

In the replay West did not open the bidding. North bid one no-trump. South raised to three, and East, with nothing to misdirect the normal lead, produced a heart. That gave North his eighth trick, and he crossed to the South hand with a club lead to play a spade. The king was his ninth trick, and the Canine foursome gained 13 tricks en route to victory.

NORTH			
♦ K 7 6			
♥ A Q 3			
♦ 10 5			
♣ A Q 7 8 2			
WEST			
♦ A 8 5			
♥ 10 8			
♦ K 10 4 2			
♣ 10 8 6			
SOUTH			
♦ J 4 2			
♥ 7 5 4			
♦ A Q 6			
♣ K 7 4 3			

North and South were vulnerable.  
The bidding:  
East South West North  
Pass Pass 2♦ Pass  
3♦ 3NT Pass Pass  
Pass

West led the spade five.



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# Korea Puts Kia Motors Up for Sale

## Ford Is Eager to Buy Struggling Carmaker

By Don Kirk  
International Herald Tribune

SEOUL — South Korea formally placed Kia Motors, once the nation's second-largest automaker, on the auction block Wednesday and pledged a tough recapitalization that will be costly to the shareholders who brought the indebted company to the brink of bankruptcy.

At the same time, a high-powered team of executives from Ford Motor Co. arrived here to aggressively promote the company's interest in taking full control of Kia.

Ford's unstated but apparent intention to enter the bidding has shaken Korea's motor vehicle manufacturers — Hyundai Motor Co., Daewoo Motor Co. and Samsung Motor Corp. — which also want to take over Kia. Their executives and managers have stressed privately that Kia should remain a Korean company.

"Our vision for Kia is that it will be an independent company and will keep its own brand," Ford's vice chairman, Wayne Booker, said in an interview before a round of meetings with officials from Kia, the creditor banks and the Korean government.

"We will be bringing new technology to Korea, we will be bringing new cash," he said. "We will be bringing marketing know-how."

The auction of Kia is emerging as one of the most important tests of South Korea's openness to the foreign takeover of major companies since the country was rescued from bankruptcy in December by a loan package put together by the International Monetary Fund.

Korean officials have repeatedly stressed their desire for foreign investment, but potential investors often complain of bureaucratic resistance and difficulty in getting complete facts and figures about companies.

Lee Keun Young, governor of the government-owned Korea Development Bank, which is Kia's main creditor, announced the bidding for Kia.

See KIA, Page 15



Lawrence Kudlow, an author of rosy economic forecasts, has returned to prominence after battling drugs.

# The Odd Odyssey of a Wall Street Lion

By Eric Fianin  
Washington Post Service

NEW YORK — He has coaxed House Speaker Newt Gingrich and other Republican leaders to take a more aggressive stand on tax cuts, and as the reigning optimist on Wall Street, he has issued economic forecasts that promise budget surpluses of hundreds of billions of dollars beyond those predicted by government officials.

After a strange journey that took him from the Reagan White House to Wall Street to a drug rehabilitation clinic, Lawrence Kudlow, 50, is back precisely where he likes to be: at the center of a brewing controversy over economic policy.

When Congress resumes deliberations this week on how to reshape budget and tax strategy in an era of record economic growth and prospective budget surpluses, Mr. Kudlow's views will be very much in the mix.

ing a number of prominent economists — complain that his extraordinarily rosy forecasts defy mainstream economic models and are steeped more in wishful thinking than in empirical data. But more remarkable — and troubling — for some is Mr. Kudlow's rapid return to influence in Washington less than three years after he appeared washed up because of a serious drug and alcohol problem.

"Some people still ask, 'Can he handle it?'" said Stephen Moore, one of Mr. Kudlow's closest friends and a collaborator in recent memorandums and newspaper opinion pieces contending that the Congressional Budget Office is "low-balling" its long-term forecasts of economic growth and the budget surplus.

Mr. Kudlow acknowledges the legitimacy of the concern that some lawmakers may write tax laws on the basis of forecasts by a controversial economist with an erratic past. "For those who choose not to rely on me or be-

lieve me, I understand and I'm O.K. with that," he said.

A former acolyte of David Stockman, the budget chief under President Ronald Reagan, Mr. Kudlow lost his \$1-million-a-year post as chief economist for the investment house Bear, Stearns & Co. in 1994 and a subsequent job as an economics writer for William Buckley's National Review in a devastating downward spiral of drug and alcohol abuse that Mr. Kudlow said dated to the mid-1980s. He resigned from Bear Stearns shortly after he blacked out on a cocaine binge and missed a speaking engagement in Boston with 200 of the company's most important clients.

The glib, urbane Mr. Kudlow for years had appeared on the lecture circuit and television talk shows, including "Firing Line," "Crossfire" and "The McLaughlin Group," putting forth his crisp, conservative views on

See KUDLOW, Page 15

# Duma Delays Part Of Austerity Package

## Yeltsin Wins Some Reforms Urged by IMF

By Sharon LaFraniere  
Washington Post Service

MOSCOW — The Kremlin made some limited headway Wednesday in winning economic reforms demanded by international lenders as part of a \$22.6 billion bailout of the country's fragile economy.

The State Duma, the lower house of Parliament, voted to support part of a package of tax and spending bills proposed by the government.

Some of the most important measures were delayed. The Duma agreed in principle to force small businesses to pay taxes in advance — an attempt to control the shadow economy that thrives here. The deputies also gave final approval to a law that will allow foreign investors to take part in the privatization of Russian enterprises.

Analysts said the votes showed that legislators feared that unless they act quickly, they could be held responsible for the country's economic collapse.

Russian officials have mounted an all-out effort to win over the traditionally hostile Duma, saying that the government must show international lenders this week that it has political will to raise more money from taxes and spend less.

The board of the International Monetary Fund, the biggest lender, will decide Monday whether to approve a recommendation for massive new credits that Russia desperately needs to ease the current financial crisis.

IMF officials have not explicitly said that the loans would be rejected if the Russian Parliament fails to act, but they

have urged reforms in the strongest possible terms. Anatoli Chubais, President Boris Yeltsin's chief debt negotiator, said Wednesday that the IMF wanted the same assurance of any investor, namely that they would give money if they were convinced that the money would come back. "And finally, we have to accept this kind of logic," he added.

Falling oil prices and the collapse of the Asian financial markets are partly to blame for the fact that the Russian government is drowning in short-term, high-interest debt. But equally if not more important is the utter failure of the tax system and the lack of spending controls. Even the most wealthy residents and businesses pay nothing to the government, and openly flaunt their tax-free status.

Part of Mr. Yeltsin's plan would make the personal income tax scale more uniform, while the government tries to step up collection. Mr. Chubais said Wednesday that alone would bring the government an additional \$20 billion a year.

The plan would also modify the value-added tax, cut the number of government employees and reduce some subsidies.

(Stocks rose for a fifth day amid expectations the legislature will approve most of the austerity measures, Bloomberg News reported. The benchmark RTS index rose 3.76 percent to 190.56. The IMF loan, which would alleviate a cash shortage that threatened to force the government to devalue or default, sent stocks and bonds soaring on Tuesday.)

# Betting Against Market - Now, That's Irrational

WASHINGTON — The stock market is a merry prankster. Just when you think you have it figured out, it acts up and does what you least expect.

That is what happened Tuesday, when the Dow Jones industrial average soared 149.33 points to a record. Why? Apparently because a few big companies like Johnson & Johnson and J.P. Morgan & Co. reported that profits were growing faster than analysts expected. This was supposed to be a year when profits would disappoint. But, then, 1995, 1996 and 1997 were supposed to be such years, too.

Or maybe the market rose simply because it wanted to humiliate all the pundits who were claiming a month ago that the fun was over.

On June 15, the Dow closed at 8,628 points — nearly 600 down from its high of 9,212 on May 13. The culprit, we were told, was Asia.

Also on June 15, Byron Wien, a heavy-hitting strategist at Morgan Stanley Dean Witter, said he saw — as the headline in his missive to clients put it — "evidence of a topping process." In other words, the market was nearing its peak. Actually, while Mr. Wien was typing those words, he had just hit his valley.

Two days later, a colleague of Mr. Wien's, Barton Biggs, was even more emphatic. He cited "the spreading contagion from Asia" and the "potentially lethal combination" of a "lack of growth, creeping deflation and substantial profit shortfalls." That could mean terrible trouble, he said, for "markets priced to perfection."

But if markets were priced to perfection on June 17, they surpassed per-

fection in the weeks that followed. U.S. stocks moved up in fits and starts — then sent up their Bastille Day skyrocket and passed the 9,300 mark Wednesday morning. Total gain for the 30 days ending Tuesday: 7.2 percent, a pace that would roughly double your money in a year.

The lesson from all this is that the best

money "Sell Stocks Now" cover of Money magazine exactly one year ago. Since it appeared, the S&P has returned more than 30 percent.

"The easiest way to be wrong about stocks is to bet against a bull market," writes the editor of Dow Theory Forecasts, a newsletter.

Actually, the easiest way to be wrong

## JAMES K. GLASSMAN ON INVESTING

way to approach the market is simply to go along for the ride, wherever it leads. Eventually, even if the route is roundabout, you will reach your destination — an average return of 10 percent or more a year. I can live with that.

The point is that you never know when Mr. Market, that merry prankster, will throw a spitball — or a party — but you certainly want to be around when he is passing out favors.

A study by Ibbotson Associates of Chicago found that over the 70 years ending in 1995, an investment of \$1 in the Standard & Poor's 500 index, a good proxy for the market, grew to \$1,144. But for an investor who missed the best 35 months during that 840-month period, \$1 grew only to \$10. In other words, 99 percent of the gains occurred during just 4 percent of the time.

How can you be sure of being in the market during that golden 4 percent period? By being in the market during the leaden 96 percent. That is the only way. Still, some folks cannot sit still. Others make a career of trying to predict what stocks will do next. Thus the fa-

is to bet against the stock market, period. Throughout the history of capitalism, bearish predictions have been made — and regretted. The Federal Reserve Board Chairman Alan Greenspan's pronouncement about "irrational exuberance" in December 1996 was only one of many.

On the day of Mr. Greenspan's talk, the Dow closed at 6,601. Since then it has risen 40 percent, not counting dividends. Not quite unsustainable — or even irrational.

Large-capitalization stocks have produced gains in 52 of the past 72 years. In other words, the odds are close to three-to-one in favor of any year scoring a positive return. Over five-year periods, they have been profitable 61 times out of 68, making the odds nine-to-one in favor of a positive return. Over 15-year periods, they have been profitable 58 times out of 58, which is called certainty.

Months like the last two, with the market dropping dramatically and then rising dramatically, simply underscore the importance of buying and holding forever. It is not the stocks you pick but

what you do with them afterward that matters. For that reason, it is wise to choose "confidence-building" companies — to deter yourself from making an impulsive exit.

Dow Theory Forecasts recently told readers, "Our oldest holding, Exxon, has been consistently recommended since 1957. We have issued no 'sell' signals on Exxon over those 41 years." An investment of \$1,000 in Exxon in 1980 would have grown to \$21,818 by now.

In the same issue, Dow Theory listed "buy-and-hold stocks for trying market times" — four companies "whose valuations have gotten somewhat rich but whose shares still offer market-beating potential in the decade ahead."

They are: American Express Co., Walt Disney Co., Procter & Gamble Co. and Walgreen Co. These stocks are hardly revelations and, as Dow Theory acknowledges, they do not appear to be cheap. On the other hand, their prospects indicate that their growth should compensate for the price.

You could, of course, wait for the market to become less "irrational." But think about it: Over the past 16 years, who have been the rational ones — bears who preach gloom and doom or bulls who believe that the economy will continue to prosper and that, by owning stocks, investors can share in that prosperity?

# U.S. Regulators Give Approval to MCI Deal

The Associated Press

WASHINGTON — WorldCom Inc.'s takeover of MCI Communications Corp. won conditional approval from antitrust authorities Wednesday, clearing a major regulatory hurdle to the deal originally valued at \$37 billion.

The Justice Department — like European antitrust regulators last week — cleared what would be one of the biggest U.S. mergers on the condition MCI sell all of its Internet business.

"After reviewing the terms of the proposed divestiture and its likely impact on the market, the department concluded that the divestiture would resolve the department's competitive concerns," a Justice Department release said.

MCI agreed to do so and announced Wednesday that it found a buyer: London-based Cable & Wireless PLC, which in May agreed to buy MCI's wholesale Internet business. Now it also will acquire MCI's retail Internet business for \$1.75 billion — a move satisfying regulators on both sides of the Atlantic.

The merger also must win approval from the Federal Communications Commission, the last regulatory hurdle. It is expected to act next month.

MCI already is the nation's second-largest long-distance company, behind AT&T Corp., and would remain so after the merger with No. 4 WorldCom Inc.

U.S. regulators and, until last week European regulators, have been looking closely into whether the combined company would crimp competition and possibly raise prices in the Internet "backbone" business.

Internet backbones are high-capacity networks that carry Internet and other data traffic for third parties.

Cable & Wireless said in May it would buy MCI's Internet backbone business — all the switches, routers and other equipment that comprise the network — as well as contracts with 1,300 Internet service providers for \$625 million.

## CURRENCY & INTEREST RATES

Cross Rates									
	\$	DM	FF	Li	DM	FF	Li	DM	FF
Australian dollar	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325
British pound	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985
Canadian dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
French franc	166.63	166.63	166.63	166.63	166.63	166.63	166.63	166.63	166.63
German mark	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Japanese yen	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00
New Zealand dollar	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Swiss franc	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833
U.S. dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
U.K. pound	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250
Yen	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091
Libid-Libor Rates									
	1 month	3 months	6 months	9 months	12 months	18 months	24 months	36 months	48 months
3-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Key Money Rates									
	1 month	3 months	6 months	9 months	12 months	18 months	24 months	36 months	48 months
3-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: Reuters, Lloyd Bank

Notes: applicable to 100 million deposits of \$1 million minimum (or equivalent).

Cross Rates									
	\$	DM	FF	Li	DM	FF	Li	DM	FF
Australian dollar	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325
British pound	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985
Canadian dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
French franc	166.63	166.63	166.63	166.63	166.63	166.63	166.63	166.63	166.63
German mark	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Japanese yen	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00
New Zealand dollar	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Swiss franc	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833
U.S. dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
U.K. pound	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250
Yen	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091
Libid-Libor Rates									
	1 month	3 months	6 months	9 months	12 months	18 months	24 months	36 months	48 months
3-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Key Money Rates									
	1 month	3 months	6 months	9 months	12 months	18 months	24 months	36 months	48 months
3-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: Reuters, Lloyd Bank

Notes: applicable to 100 million deposits of \$1 million minimum (or equivalent).

Cross Rates									
	\$	DM	FF	Li	DM	FF	Li	DM	FF
Australian dollar	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325
British pound	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985
Canadian dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
French franc	166.63	166.63	166.63	166.63	166.63	166.63	166.63	166.63	166.63
German mark	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Japanese yen	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00
New Zealand dollar	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Swiss franc	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833
U.S. dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
U.K. pound	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250
Yen	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091
Libid-Libor Rates									
	1 month	3 months	6 months	9 months	12 months	18 months	24 months	36 months	48 months
3-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Key Money Rates									
	1 month	3 months	6 months	9 months	12 months	18 months	24 months	36 months	48 months
3-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
6-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: Reuters, Lloyd Bank

Notes: applicable to 100 million deposits of \$1 million minimum (or equivalent).

Cross Rates									
	\$	DM	FF	Li	DM	FF	Li	DM	FF
Australian dollar	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325	1.3325
British pound	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985	1.7985
Canadian dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
French franc	166.63	166.63	166.63	166.63	166.63	166.63	166.63	166.63	166.63
German mark	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Japanese yen	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00
New Zealand dollar	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Swiss franc	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833	1.4833
U.S. dollar	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
U.K. pound	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250	0.6250
Yen	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091	0.0091
Libid-Libor Rates									
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6-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
9-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
12-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
18-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
24-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
36-month T-bill	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
48-month T-bill									

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## INTERNATIONAL

## 35 Wounded In Israeli Clash With Bedouin

Agence France-Press

ARRASHAIDA, West Bank — Thirty-five Palestinians, including a pregnant woman, were wounded by Israeli soldiers on Wednesday in clashes near Bethlehem, witnesses and hospital sources said.

The wounded were victims of rubber bullets, beatings or gas inhalation from canisters fired by soldiers trying to clear a road blocked by demonstrators.

A total of 35 people, at least 15 of whom had been hit by rubber-coated bullets, were hospitalized at Beit Jala's Hussain hospital near Bethlehem, among them a pregnant woman, hospital sources said.

The clashes broke out near the Bedouin camp of Arrashaida, to the east of Bethlehem, when Israeli soldiers seized about 200 sheep, which they put in trucks, saying that the animals were grazing on a "closed military area."

The Bedouin then blocked a nearby road with stones in protest.

Dozens of soldiers then arrived to clear the road, firing tear gas and beating demonstrators, witnesses said.

An Israeli Army spokesman said he would comment later.

Earlier Wednesday, Israeli settlers fired at a Palestinian police vehicle in the same area, shattering a windshield but not injuring anybody, a Palestinian official said.

Elsewhere in the West Bank, Jewish settlers in Hebron threw stones at a second Palestinian police vehicle, which then crashed into a wall, sources said.

A Jewish settler group calling itself "The Committee for Road Safety" claimed responsibility for both attacks.



A Palestinian lying wounded after clashes Wednesday with Israeli troops.

## Pollard Says Israel Lets Him Rot in U.S. Prison

Reuters

JERUSALEM — Jonathan Pollard, an American Jew convicted of spying for Israel and jailed for life, accused the Israeli government in comments broadcast on Wednesday of abandoning him while his health deteriorates in U.S. jail.

"Nobody gives a damn... I'm just dying by inches," Mr. Pollard, 43, said in a tape played by his wife, Esther, on Tuesday to an Israeli parliamentary committee lobbying for his release.

"You think they care, Esther. They don't give a damn. I'm just a stinking

North American zhid," Mr. Pollard said, using a slur for Jew.

"This charade must stop now," he said in the tape broadcast on Israel's army radio.

Israel in May finally admitted that Mr. Pollard, a former naval analyst, was its agent 13 years after he was convicted of passing information on Arab countries to Israel and jailed for life. He said the United States had withheld the information from its ally.

Israeli ministers have met Mr. Pollard in his North Carolina prison, and the

government has pledged to work for his release. But Mr. Pollard's lawyer accused the government of foot-dragging.

"The government says they are in negotiations with Americans, but we don't see any support for that," said his attorney, Larry Dub. He said Mr. Pollard needed emergency surgery for nasal polyps.

The parliamentary committee plans to present President Bill Clinton with a petition signed by lawmakers from across the political spectrum calling for Mr. Pollard's release.

## LAGOS: Amid Surreal Chaos, Nigeria Is Waiting for Deliverance

Continued from Page 1

his large estate. Nigeria, where one in six Africans lives, lurches.

In this disorder, General Abacha, 63 and retired, is widely viewed as an oil baron, an elder statesman for a disoriented nation, although he said he had no immediate political ambitions. The general was arrested in 1995 along with several other people on charges of complicity in a coup plot and remained in jail until June 16, eight days after his nemesis, General Abacha, died.

Among those arrested with him were General Shehu Yaradua, a former chief of staff who, like many other political prisoners, died last year in jail under suspicious circumstances. Officially, "cardiac arrest" killed him. The alleged instigator of the coup plot, Colonel Lawan Gwadabe, remains in prison.

"Abacha was more than evil, more than sadistic: he was actually mad," General Obasanjo said. "Look at what he did to the nation's oil industry. He closed down our four refineries so that Nigeria would have to import refined fuel, and he could make a fortune on those import deals. As a result we are paralyzed because we have no fuel."

Oil industry officials here confirmed that General Abacha had allowed the refineries — two in Port Harcourt, one in

Owerri and one in Kaduna — to fall into such disrepair as to be unusable.

He then organized the import of gasoline through his own agents, charging hugely inflated prices for the fuel in Nigeria on which he and his family took large commissions. The cost to this country of 105 million people was enormous: not only was it no longer producing its own gasoline, it was paying inflated prices to buy it and seeing the money disappear into General Abacha's personal accounts.

One of the first acts of General Abubakar, the new military ruler, was to replace General Abacha's shadowy import agents with several major oil companies, including Mobil, Shell and Elf, the officials said. "As a result," said one official, "the price has now fallen from \$40 a ton to \$10."

However, it appears that the gasoline has not yet made it to the pumps, or is being hoarded there out of the fears of arson or ransacking that accompanied the riots after Mr. Abacha's death. Just when the hoarding will ease is unclear.

So, too, is the date — almost certainly this week — when General Abubakar will announce his plan for a democratic transition. Since his release, General Obasanjo has met several times with the new ruler and said he believed that General Abubakar genuinely wanted to re-

turn the armed forces to the barracks as soon as possible. They have ruled Nigeria for 28 of its 38 years of independence.

After the 1993 elections, which Mr. Abacha appeared to have won, the armed forces annulled the vote. The effect on Nigeria has been crippling.

General Abacha proved to be a ruthless leader. And because the annulment convinced many people that a man from the southern Yoruba tribe like Mr. Abacha will never be allowed to rule, it exacerbated ethnic tensions.

The army's upper ranks are dominated by men from the northern Hausa and Fulani tribes.

"It is a great pity that, at every crisis, big or small, people talk of Nigeria breaking up," General Obasanjo said.

At last, the general's flight was called.

He was on his way to Botswana and then South Africa, where he has been invited to be with an old friend, Nelson Mandela, on his 80th birthday.

"Perhaps," General Obasanjo said, "I can be a stabilizing influence, a conscience for our nation." But as the plane taxied away, the lights were still out in Lagos and stability scarcely imaginable.

■ **Tanker Drivers Go on Strike**

Tens of thousands of commuters were stranded in Nigeria's commercial capital of Lagos on Wednesday as fuel tanker drivers went on strike to protest the deaths of colleagues and damage to tankers during last week's riots. Reuters reported from Lagos.

Long queues of vehicles waited in vain for the arrival of fuel at the city's gas stations, leaving Lagos streets free of their usually heavy traffic.

## Nigerian Leader Axes Old Electoral Bodies

LAGOS — Nigeria's military ruler, General Abdulsalam Abubakar, disbanded three of the country's discredited electoral bodies at a meeting Wednesday ahead of a nationwide broadcast setting out his political plans.

Mr. Abubakar dissolved the Transition Implementation Committee, the National Reconciliation Committee and the National Committee on the Devolution of Powers, the reconciliation committee chief, Alex Akinyele, told reporters.

"We have completed our assignment and therefore we have been congratulated and commended," he said, saying they had been treated in a "very civilized" way.

There was no immediate indication of the fate of the National Electoral Commission of Nigeria, which earlier reports said would also be dissolved.

The agencies are all widely viewed as discredited by their close association with the late dictator Sani Abacha, who died of a suspected heart attack on June 8.

All this comes ahead of a broadcast by General Abubakar, apparently now scheduled for Thursday, military sources said, setting out his plans for a return to democracy.

General Abacha had in 1995 promised a "transition" to democracy by the end of this year.

## STARR: White House Fires Back at Prosecutor Over Subpoenas

Continued from Page 1

Mr. Cockell, for example, was the only person from the Secret Service allowed in the room when Mr. Clinton provided five hours of sworn testimony in the Paula Jones civil lawsuit in January.

In response, the Justice Department was to file a motion in federal court seeking to temporarily block the subpoenas while the two sides continue to fight over the issue of Secret Service testimony, according to sources aware of the strategy. A closed-door hearing was held Wednesday afternoon to consider the issue.

The subpoenas, dated Monday and delivered to the Justice Department on Tuesday, came on the same day that Attorney General Janet Reno filed a brief asking the U.S. Court of Appeals for the D.C. Circuit to reconsider its decision last week ordering Secret Service employees to answer Mr. Starr's questions. While some Justice Department lawyers fear it is a lost cause, one factor that influenced Ms. Reno's decision was the expectation that Mr. Starr would not limit himself to the three employees he previously subpoenaed,

according to an administration official.

A source close to the matter said more subpoenas were expected as early as Wednesday. In particular, officials were concerned that Mr. Starr may seek testimony from previous leaders of the White House detail under Mr. Clinton, including David Carpenter, who just last week was given a high-ranking job at the State Department, and Lewis Meriatti, who is now the director of the Secret Service and has led the fight against Mr. Starr.

"This was a tremendous strategic blunder by Starr because it demonstrates the slippery slope we warned about that he said wouldn't happen," said Warren Dennis, a private attorney for former Secret Service agents who have filed a brief arguing against Mr. Starr's previous subpoenas. "It's shockingly bad judgment."

Charles Bakaly, a spokesman for Mr. Starr, declined to comment. But the decision to move forward with the subpoenas appeared motivated in part by Mr. Starr's frustration with six months of resistance from the Secret Service and could put pressure on the agency to compromise. In a letter accompanying the subpoenas, Mr. Starr's office com-

plained that Ms. Reno's decision to appeal had simply created more delays that were impeding the investigation.

Mr. Starr recently had sent the agency a far-reaching request for records documenting Mr. Clinton's whereabouts and movements from 6 P.M. to 6 A.M. every evening that Ms. Lewinsky worked at the White House and on the days of her 37 visits there after moving to a Pentagon job in April 1996, sources said.

Separately, Mr. Starr has been seeking similar records detailing Mr. Clinton's activities from the White House but lawyers for the president have resisted the independent counsel's requests, arguing that they are too broad.

Mr. Starr is investigating whether Mr. Clinton lied under oath during the Jones deposition when he denied having sexual relations with Ms. Lewinsky and whether he obstructed justice by urging her to commit perjury as well.

Outside the grand jury, Mr. Starr's prosecutors have interviewed about 20 other uniformed officers, but the Secret Service instructed them to decline to answer questions dealing with what they saw or heard while performing their duties in proximity to the president.

## SUN: A Computer Technology With Potential of 'Science Fiction'

Continued from Page 1

structions or information, sometimes by actually dividing a program into parts and spreading the computation work across several computers.

In addition, Java has already achieved widespread distribution — thanks, in part, to Microsoft, which ships it with its Internet Explorer browser for navigating the World Wide Web and with the Windows 98 operating system. Though Sun is suing Microsoft, contending that it made unauthorized changes to Java, the Microsoft version of the language will support Jini.

If all goes according to Sun's plans, over the next 18 months, a number of companies that make computer hardware and consumer gadgets will begin incorporating Jini, allowing each of these devices to talk with each other and to share processing power.

Among the first of these will be Quantum Corp., a disk-drive maker based in Milpitas, California, that intends to commercialize the Jini technology to make drives that have built-in office network connections. Today, such connections are controlled by the operating system and are difficult to configure.

"There is definitely going to be a dramatic leap in ease of use," said Paul Borrelli, vice president and chief architect at Quantum.

Over the next few years, advocates of distributed computing predict, today's desktop computer will evolve from a self-sufficient machine that must hold all the memory, storage and processing power it needs for any job into a social machine that will automatically interact not only with other computers but also with myriad consumer devices.

But there is a catch to all of this: The technology at the heart of this evolution is the network, and all the assumptions about the future of distributed computing are based on the belief that computer networks will be ubiquitous — and, in most cases, wireless.

On a large scale, such networks are now being deployed by cellular telephone companies and by computer industry groups working on new standards for wireless office networks. Once these technologies are available to consumers, beginning later this year, the stage will be set for a fundamental change in personal computing.

It is the network, which can range in



William Joy of Sun Microsystems, a chief designer of Jini technology, which aims to harness vast networks' power for individual computers.

size from a group of linked household devices to the global Internet, that is the foundation upon which the new distributed computing will be built.

The essence of distributed computing is the ability to divide a large set of computer instructions into multiple parts, each of which is processed by a different machine within a network.

Until now, each generation of computers — mainframes, minicomputers and personal computers — has been built on a foundation of centralized control wielded by an operating system, a single, monolithic program that performs the combined role of a traffic cop, butler and secretary.

But the recent proliferation of high-speed and wireless networks and the melding of computing and telecommunications technologies driven by the Internet has encouraged developers to proceed on the assumption that every home, car and other personal environment will eventually be part of a universal network. For that reason, it is sometimes known as "ubiquitous computing."

Distributed computing foresees a

world in which millions of small programs seamlessly flit back and forth between tens of thousands of devices that have been enabled to recognize and be recognized by the network.

"The trend is very clear," said William Joy, co-founder of Sun Microsystems and a chief designer of Jini. "We are moving toward a world in which it will be possible to move software codes that act as our personal agents between many different computers in a global network."

Advocates of distributed computing envision a computerized world in which every person will be surrounded by a web of hundreds of small computers embedded in everything from smart cameras to pagers to cell phones and hand-held computers that will exchange messages and data without the intervention of a centralized computer.

Sun's Jini is scheduled to be marketed in September under the name Java Tone. Sun says it is now working with more than 30 companies, ranging from Federal Express Corp. to the giant software producer Computer Associates, to develop Java Tone products.

## EU: Donations Cut to Hundreds of Humanitarian Organizations

Continued from Page 1

funds for projects, including one to enhance "public awareness of the common agricultural policy." Another 170 million euros was partly unfrozen. But payments totaling 360 million euros remained suspended or, in some cases, nullified.

These included cash that earlier had been earmarked for combating violence against women and children; help for the socially excluded and the elderly; and measures to alleviate poverty.

With millions of euros of diverse funding in complete doubt, "staff at some organizations with responsibilities and families are looking around" for other jobs, according to Giampaolo Alahedeff, secretary-general of Solidar, a cross-European organization representing more than 400,000 professional and volunteer social and humanitarian workers.

The Platform of European Social Non-Governmental Organizations, which was set up with the commission's approval in 1995 to coordinate the work of 25 humanitarian and social networks representing hundreds of organizations, is faced with extinction unless it can persuade the EU to reinstate its blocked funding. Most of the networks also lost their funding in 1998, which to many observers seemed bizarre in that the commission earlier this year formally launched a so-called social dialogue with the nongovernmental organizations.

The commission said it would pay for "preparatory actions" by associations of the disabled. But this left in doubt, for example, the long-term financing that sustains the small liaison office set up by the European Union of Deaf People in Brussels. If that has to close, "believe me, it will take years to build up the network again," said the group's director, Johan Weseman, communicating through a sign-language interpreter.

The funding crisis directly affects umbrella organizations working across frontiers, such as Mobility International or the European Disability Forum. Many such groups have had to put plans on hold because of the uncertainty over funding. For example, Mr. Alahedeff of Solidar, a European umbrella group for social and humanitarian workers, said it

may be necessary to end a program to help migrant women from developing countries escape sexual abuse and "near slave conditions" as domestic servants in several EU nations.

Diana Sutton, European officer of the International Save the Children's Alliance, said that pioneering work that does not fit easily into existing categories could not survive without assurance of long-term funding. She cited programs aimed at establishing children's rights or combating child pornography on the Internet.

Mr. Alahedeff said many of the organizations operated on such tight budgets that even a temporary suspension of funding could be disastrous. He said Solidar ended 109 euros in the black last year after spending 300,000 euros.

Some of the programs under threat were started at the initiative of the European Parliament. But national governments, under pressure to curb spending

as they prepare to join the European monetary union in January, appear to be taking a less benevolent view. It is not only a question of money, several observers said, but also of the long-standing struggle for influence between the Parliament and the council.

Leaders at several of the non-governmental organizations said their funding crisis made a mockery of governments' stated aims to build a "people's Europe" alongside the monetary union.

They said the crisis jeopardized programs that aim to put social problems — such as disability, poverty, homelessness, migration, exclusion from society, racism, and drug dependency — at the heart of the decision-making process in Brussels.

The program to redeem Vienna prostitutes, which started the whole mess, continues. It proved so successful that the city of Vienna took it over.

## AIRPORT: More Fallout in Hong Kong

Continued from Page 1

some of Hong Kong's overload. Shippers may decide to stay with these much cheaper airports, which are closer to their source of supply, China.

"It's quite likely Hong Kong will not recapture 100 percent of the business when Hong Kong gets it together," said Clive McDonnell, an economist at SG Securities.

The government has begun several inquiries into the problems, with a possible fourth by the legislature if it is not satisfied with the government's investigations. In addition, 16 people were arrested Tuesday by the Independent Commission Against Corruption on suspicion of using substandard materials on foundation work done on the main city terminal for the new airport railway.

If something as grave as the airport's malfunctioning had happened in a place with a fully elected legislature, "a government could fall because it's so serious," said Emily Lau, a member of the legislature from the opposition Frontier Party.

The role of Mrs. Chan in the airport fiasco could be held against her if she were to bid to succeed Hong Kong's chief executive, Tung Chee-hwa, when his term expires in 2002, said Sunny Lo, associate professor at the Department of Politics and Public Administration at the University of Hong Kong.

Mrs. Chan is a career civil servant who occupied the No. 2 post in Hong Kong under the last British governor, Chris Patten, and supported his political reforms that so enraged Beijing. Her stewardship through the transition to Chinese rule of what has long been viewed as one of the best government services organizations in Asia was seen as critical in retaining foreign confidence in Hong Kong.

"Most Hong Kong people feel that the myth of the superiority of the civil servants has been much eroded," said Joseph Cheng, director of the Contemporary Research Center at the City University of Hong Kong.

Mr. Lo added, "They were excellent at implementing policy, but they were not tested at managing crises."



SPECIAL DELIVERY — Technicians filling a huge balloon with water Wednesday in Turkey. In a test, the balloon will be hauled by a tug to Northern Cyprus, short of drinking water in a drought.



## THE AMERICAS

## Clinton Asks Firms to Cooperate on Year 2000 Bug

By Rajiv Chandrasekaran  
and Stephen Barr  
Washington Post Service

WASHINGTON — President Bill Clinton plans to propose legislation that would immunize businesses from lawsuits if they share information about solving the year 2000 computer glitch.

Many companies have resisted exchanging technical advice with one another, delaying the pace of repair work, because they fear costly litigation if the information they provide inadvertently turns out to be inaccurate.

"We have to take prudent steps to clear away legal barriers to effective action," Mr. Clinton said Tuesday in a speech before business leaders and others at the National Academy of Sciences in Washington.

The president also encouraged small firms, many of which are still ignoring the problem, to get cracking, warning that "any business that approaches the new year armed with only a bottle of champagne and

a noise maker is likely to have a very big hangover on New Year's morning."

The event, which included a speech by Vice President Al Gore, was the administration's most public discussion of the glitch to date and reflects a more aggressive posture toward the problem. Mr. Clinton, and particularly Mr. Gore, had been criticized by congressional Republicans and others for not saying enough about the computer issue.

The impact of the problem is still unclear. Many technology industry analysts contend that businesses and government agencies have too much work to do in too little time. Some predict that widespread electronic disruptions — from stalled assembly lines to power outages and frozen bank accounts — will lead to a worldwide recession.

Others, however, maintain that large U.S. companies and the federal government are on track to fix their most crucial computer systems in time. Whatever disruptions that might occur, they argue, will be minor.

"No one will ever find every embedded microchip, every line of code that needs to be rewritten," Mr. Clinton said. "But if companies, agencies and organizations are ready, if they understand the threat and have backup plans, then we will meet this challenge."

The problem stems from the fact that millions of electronic devices — from mainframe computers that process payroll checks to heart monitors in hospital intensive-care units — were programmed to recognize only the last two digits of a year, assuming that the first two would be 1 and 9. When Jan. 1, 2000, arrives, the machines will understand the year "00" not as 2000 but 1900, potentially causing them to shut down or stop working properly.

The two-digit system was used because it saved computer memory, which was prohibitively expensive in the 1960s and '70s, explained Mr. Gore, who presented a detailed history of the problem. "It saved millions of dollars, but it also created one whole of a problem," the

vice president said. Mr. Gore emphasized the federal government's repair work, saying his goal is to have the government's most critical computer systems year 2000-compliant by March 31, 1999.

The administration has "set in motion efforts to make sure that every cabinet member understands this is priority number one," Mr. Gore said.

With less than 18 months to address the glitch, John Koskinen, the president's year-2000 advisor, said he hoped Congress, industry and trade groups could reach an agree-

ment this month so that Mr. Clinton's so-called "Good Samaritan" bill could be approved before the August congressional recess.

Mr. Koskinen said the White House would send Congress this week "a narrow, carefully defined bill" focused on encouraging companies to exchange information on products and repair strategies. The bill does not attempt to deal with broader, underlying issues, such as who should pay to fix a company's year-2000 problems or who can be held responsible for computers that malfunction.

## Nasdaq Hits Record As Blue Chips Falter

Compiled by Our Staff From Dispatches

NEW YORK — Stocks closed mixed Wednesday after flirting with a record, but the technology-heavy Nasdaq composite index pushed to a sixth straight record, buoyed by an optimistic forecast from Intel.

The Dow Jones industrial average fell 11.07 points to 9,234.47. On Tuesday, the Dow set a record at 9,245.54.

The Standard & Poor's 500 Index rose 2.77 points, to 1,174.81.

The Nasdaq rose 26.13 points, to 1,994.54, led by Intel, which rose 3/16 to \$44 after the semiconductor bellwether predicted that sales would increase in the second half.

The benchmark 30-year Treasury bond rose 6/32, to 105 31/32, nudging the yield down 2 basis points to 5.70 percent.

The Commerce Department reported Wednesday that total business inventories declined by 0.1 percent to \$1.07 trillion in May, giving further evidence that the high-flying U.S. economy has entered a period of sharply slower growth.

David Katz, chief investment officer of Matrix Asset Advisors, said that overall, earnings are surpassing investor expectations. "There are more pluses than minuses," Mr. Katz said. "There's this sign of relief."

Ford Motor fell 1 1/16 to \$9 7/16 after the automaker earned \$2.4 billion in the second quarter, down 6 percent from a year ago, but above Wall Street expectations. Sales fell 8 percent to \$37.3 billion from \$40.3 billion a year ago.

Eastman Kodak soared 8 3/4 to \$24.4 despite scaling back prices for

photographic film. Kodak's second-quarter profit jumped 35 percent to \$495 million, beating expectations, as it recovered ground from Japanese rival Fuji.

Time Warner rose 3/16 to \$4 1/16 after the New York-based media conglomerate's second-quarter earnings more than tripled to \$101 million, soundly beating Wall Street expectations.

Caterpillar fell 4 to \$2, dragging

## U.S. STOCKS

the Dow down. The heavy equipment maker reported a second-quarter profit of \$446 million, up 2.5 percent from a year ago but shy of most analyst forecasts. Caterpillar blamed weaker demand from related to its purchase of Digital Equipment and plant closings. Without the \$3.6 billion in one-time expenses, Houston-based Compaq topped projections.

Intel climbed after the largest maker of computer chips posted a second-quarter profit of \$1.2 billion, down 29 percent from a year ago but slightly above expectations.

AMR said second-quarter profit rose 35 percent because of more passengers and lower fuel prices for its American Airlines unit, the second-biggest U.S. air carrier.

Delta Air Lines fell 3/4 to \$39 1/16. US Airways Group dropped 2 1/16 to \$7 3/16, and UAL, parent of United Airlines, slid 3/4 to \$9.

(Bloomberg, AP)

## Doubts on Tokyo's Resolve Hit Yen

Bloomberg News

NEW YORK — The dollar rose against the yen on Wednesday on speculation that Keizo Obuchi, the leading candidate to become Japan's prime minister, would not speed up efforts to end the country's recession.

If elected by the ruling Liberal Democrats, Mr. Obuchi would replace Ryutaro Hashimoto, who resigned after party losses in parliamentary elections Sunday.

Mr. Obuchi has shown scant enthusiasm for large tax cuts or quicker action to shore up ailing banks.

"He's like the cat that's already on the car," said Stephen Jonathan,

currency sales chief at Merrill Lynch & Co. "The more he's in the ascendancy, the higher the dollar goes."

The dollar climbed to 140.555

yen at 4 P.M. from 139.98 on Tuesday.

In Japan, Mr. Obuchi, the current foreign minister, may announce his candidacy as early as Thursday, party officials said. He heads the largest party faction, giving him the lead in the race for the top post. The party will choose its next leader July 21.

The U.S. currency fell to 179.96

Deutsche marks from 1.8052 DM as Russia's Parliament debated and passed some laws on tax collection to revive the economy, setting investors at ease about Germany, its biggest creditor.

Hope that the Parliament will pass the laws is taking some of the pressure off the mark. Many traders sold marks in recent weeks on concern that Russia would not get the loans it needs.

In other trading, the dollar fell to 1.5117 Swiss francs from 1.5207 francs, and it fell to 6.0515 French francs from 6.0490 francs. The pound was at \$1.6350, up from \$1.6348.

## Monsanto to Purchase a 4th Seed Company

Reuters

CHICAGO — Monsanto Co. said Wednesday it had agreed to acquire Plant Breeding International Cambridge Ltd. for about \$525 million in cash, marking its fourth major seed company acquisition in two months.

Monsanto said the latest acquisition would be its last of a major seed company in what has been a \$6 billion buying spree.

Plant Breeding International breeds and markets winter wheat, barley, rapeseed, potatoes and other crops, primarily in Britain France and Germany.

Monsanto, which is based in St. Louis, Missouri, said PBI's strength in cereal seeds would complement its powerful position in corn, soybeans and cotton seeds.

"Now that we have done this, we are done with acquisitions of major seed companies," the Monsanto president, Hendrick Verfaillie, said in an interview.

In May, Monsanto agreed to buy the second-largest U.S. seed company, DeKalb Genetics Corp., and the leading cotton-seed producer, Delta and Pine Land Co. In June, it announced plans to add Cargill Inc.'s international seed business to its portfolio.

## U. S. STOCK MARKET DIARY

Indexes Most Active NYSE

Standard & Poors

NYSE

Nasdaq

AMEX

Trading Activity

NYSE

AMEX

Dividends

STOCK SPLIT

STOCK SPLIT

STOCK SPLIT

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## INTERNATIONAL FUTURES

July 15, 1998

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Grains

Metals

Oil

Gold

Silver

Platinum

Palladium

Japanese Yen

Swiss Franc

German Mark

British Pound

Canadian Dollar

Australian Dollar

New Zealand Dollar

South African Rand

Indian Rupee

Chinese Yuan

Thai Baht

Singapore Dollar

Malaysian Ringgit

Indonesian Rupiah

Philippine Peso

Vietnamese Dong

Laos Kip

Myanmar Kyat

Burmese Kyat

Siamese Baht

Thai Baht

Singapore Dollar

Malaysian Ringgit

Indonesian Rupiah

Philippine Peso

Vietnamese Dong

Laos Kip

Myanmar Kyat

Burmese Kyat

Siamese Baht

Thai Baht

Singapore Dollar

Malaysian Ringgit

Indonesian Rupiah

Philippine Peso

Vietnamese Dong

Laos Kip

Myanmar Kyat

## Investor's America

The Dow 30-Year T-Bond Yield

Dollar in Deutsche marks

Dollar in Yen

Exchange Index

U.S. The Dow

U.S. S&P 500

U.S. NYSE Composite

U.S. Nasdaq Composite

U.S. AMEX Composite

Toronto TSE Index

Sao Paulo Bovespa

Mexico City Bolsa

Buenos Aires Merval

Santiago IPSA General

Caracas Capital General

Source: Bloomberg, Reuters

International Herald Tribune

## Very briefly:

Automatic Data Processing Inc. and Bridge Information Systems Inc. agreed to create an alliance to provide market information and services to the financial industry.

Zonagen Inc. of Woodlands, Texas, submitted Vasomex, a pill to treat impotence that would be the first competitor for Pfizer Inc.'s Viagra, to the Food and Drug Administration to seek its approval.

Brazil plans to sell as much as 5 percent of state-owned Banco do Brasil SA to capitalize on a soaring share price and increase trading in the stock. The stake is worth about 500 million reais (\$430 million), the bank said.

McKesson Corp., the largest drug wholesaler in the United States, ended talks about what it called a "business combination" with HBO & Co., which sells computerized healthcare information systems to companies that do not want the expense of building their own systems.

The Los Angeles Times, owned by Times Mirror Co., plans to introduce a four-section national edition this year or early in 1999. The paper now distributes a 12-page version in parts of the East Coast.

Bloomberg, NYT, Reuters

## The Trib Index

Jan. 1, 1992 = 100

World Index

Regional Indexes

Asia/Pacific

Europe

N. America

S. America

Industrial Indexes

Capital goods

Consumer goods

Energy

Finance

Miscellaneous

Raw Materials

Service

Utilities

Prices as of 4:00 P.M. New York time.

Change %change

Year to date %change

1997

1998

1999

2000

2001

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2014

2015

2016

2017

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## EUROPE

## Russia Bank Gets 2d Offer Of Bailout From a Rival

Compiled by Our Staff From Dispatches

MOSCOW — AO Bank Menatep, the fifth-largest bank in Russia by assets, said Wednesday that it has offered to try to save AO Tokobank from bankruptcy after another bank pulled out of a rescue plan led by the central bank.

Tokobank owes about \$600 million to Russian and foreign creditors and is being administered by the central bank. The bank of Moscow, which planned to buy 50 percent of Tokobank under the central bank's bailout scheme, pulled out last week, saying Tokobank's losses were three times as high as expected.

But a liquidation of Tokobank would "result in the most serious negative consequences for the Russian banking system," said Alexander Zorabov, chairman of the executive management board of Bank Menatep. "Not all possibilities for resolving Tokobank's problems have been exhausted."

Menatep said its plan involved buying a controlling stake in Tokobank and converting some of its debts into Menatep's own long-term debt instruments.

Tokobank, like many Russian banks, held a large amount of currency forward contracts, effectively betting against a sudden weakening of the ruble. The bank also made some bad loans. When the current Russian financial crisis began, pressure on the ruble mounted, raising concern over a devaluation, and interest rates soared. That meant Tokobank was increasingly unable to meet its obligations.

Menatep said the central bank "agreed in principle" to the participation of Tokobank in the rescue of Tokobank. In addition to restructuring Tokobank's debt, Menatep would also increase the number of Tokobank shareholders.

The plan is also subject to approval by Tokobank shareholders and creditors.

The central bank took over the administration of Tokobank on May 8. The central bank had pledged \$150 million to the Bank of Moscow to bail out Tokobank.

(Bloomberg, Reuters)

## Spanish Investors Lap Up Shares in Rioja

By Sherman Esarey

Reuters

MADRID — Shares in fine Rioja wine makers have become the toast of Spain's small-cap stocks, just one year after they hit the scene.

The wine sector's share prices have outpaced the market this year and are expected to continue to sparkle, benefiting from up-market tastes, growing demand for up-market wines, and the prospect of domestic price hikes.

"The demand for Rioja is at its zenith both at a national and at an international level," said Carlos Ramos, analyst at Aborro Corporación Financiera. "Almost all these wineries suffer from excessive demand and they are making investment plans that are virtually guaranteed to be a success."

So far this year, the Spain's benchmark Ibx index has climbed 47 percent, but three of the four listed wineries have sharply outperformed, with Bodegas Riojanas up 50 percent; Compania Vinicola up 60 percent and Baron de Ley up 76 percent. The fourth, Bodegas & Bebidas, is up 21 percent on the year.

Until last July, Bodegas & Bebidas was the

sole winery on the bourse from Rioja, Spain's premier and largest wine-producing region. That month, Baron de Ley and Compania Vinicola del Norte de Espana both listed.

With the arrival of Bodegas Riojanas in late September, Spain had put together a sector without peer whose small size.

Together with France and Italy, Spain provides 60 percent of world wine production and the Rioja region accounts for 40 percent of national output.

Conor O'Shea, an equity analyst for Spain at Paribas in London, said that in France and Italy stock-market exposure to the sector is muddy because it must be carried out by the purchase of shares in larger conglomerates which participate in diverse businesses.

LVMH Moët Hennessy Louis Vuitton SA, the French luxury goods maker, for example, has wine interests, but also Champagne, leather goods, beauty products and financial and economic media.

Among the newer wine producers, Australia, Chile and to a lesser extent the United States, have exchange-traded winery shares.

In the past eight years, the value of the Rioja

wine market has risen from 39 billion pesetas (\$25.5 million) to 110 billion pesetas last year, posting 10 percent compound annual growth, said Javier Suarez, analyst at Santander Investment.

The only hitch to growth is a severe limitation on production, with the area of cultivation not expected to surpass 50,000 hectares (20,000 acres) anytime soon. In comparison, the area for fine French Bordeaux wines is some 112,000 hectares.

That limitation has already forced grape prices in the region up to more than 130 pesetas a kilogram (2.2 pounds), up 10 pesetas in recent months and up from a trough of 50 pesetas at the start of the decade.

But strong demand, coupled with a taste for more expensive wines, is likely to make it relatively easy to push these price increases on to consumers.

Fine wine consumption is considered cyclical and climbs during boom times.

The Spanish economy is slipping along, with gross domestic product growth expanding at nearly four percent. Santander Investment sees private consumption rising three percent this year and next.

## Strong EU Economy Seen Buoying Euro's Birth

Compiled by Our Staff From Dispatches

STRASBOURG — Strong economic growth in the 11 countries joining the European monetary union in January should support the start of a common currency, Wim Duisenberg, the president of the European Central Bank, said Wednesday.

"The improvement in the economic situation in the EU seen last year, which is expected to continue in 1998, may be considered to provide a very satisfactory starting point for monetary union," Mr. Duisenberg said.

The slump in Asian economies and the turmoil in Russia have had "remarkably little impact on the economic development outside Europe," he said.

In a speech to the European Parliament, Mr. Duisenberg warned, though, that governments must continue cutting deficits and striving for balanced budgets to make the euro a stable currency.

The bank will set monetary policy for Germany, France, Italy, Spain, Portugal, the Netherlands, Belgium, Finland, Luxembourg, Ireland and Austria beginning in January, when

those countries lock their exchange rates together and form the euro. Mr. Duisenberg confirmed that the bank's governing council would announce the details of its inflation-combating strategy in September or October.

He also said that he expected a

decision by the bank's policymaking council on guidelines for member central banks' gold reserve policies by November. "The ECB will have an important say on European Monetary Union central bank gold policies," he said.

Last week the bank's policymak-

ing council decided that the bank would hold 15 percent of its monetary reserves in gold. It also announced that a guideline for all national central banks' gold and foreign-exchange operations would be drawn up by the end of the year.

(Bloomberg, Bridge News)

## Fixing to Do Business as Claudia Schiffer

Austrian Finds a Partner of That Name After the Famous Model Says 'No'

Agence France-Press

HAMBURG — An Austrian businessman could stand to make a lot of money with Claudia Schiffer. Friedrich Brandhorst's new company, Claudia Schiffer Handels- & Marketing GmbH, will introduce its first product in time for Christmas, a CD titled "Magic Moments." Perfumes, textiles, drinks, diets and books are to follow.

The hitch? Mr. Brandhorst, 35, is in partnership not with the world-famous model, but with a 29-year-old postal worker from Mecklenburg in North Rhine-Westphalia, whose name also is Claudia Schiffer.

He approached the more famous of the two with his business idea but was rejected. So he sought out someone else with the same name. After asking the other Claudia Schiffer to put up half of the company's

capital of 25,000 Deutsche marks (about \$14,000), he had the name entered into the commercial register.

"This is perfectly legal under German law, since one of the managing partners of the company is really called Claudia Schiffer and anyone can register a company under his own name," a spokesman for the Hamburg chamber of commerce said. However, problems could arise if the use of the name is misleading or if people are deliberately deceived, the spokesman said.

Mr. Brandhorst says he will not infringe upon the more famous Claudia's rights. Neither will he use a photo of her on his products. "We need to determine what we can do without violating the other Claudia Schiffer's rights," he said.

But he said, "This is a matter of brand-name policy. He added, "She mustn't violate our rights either."

## Investor's Europe

Frankfurt DAX	London FTSE 100 index	Paris CAC 40
6000	6250	4300
5700	6050	4000
5400	5850	3700
5100	5650	3400
4800	5450	3100
4500	5250	2800
4200	5050	2500
3900	4850	2200
3600	4650	1900
3300	4450	1600
3000	4250	1300
2700	4050	1000
2400	3850	700
2100	3650	400
1800	3450	100
1500	3250	
1200	3050	
900	2850	
600	2650	
300	2450	
	2250	
	2050	
	1850	
	1650	
	1450	
	1250	
	1050	
	850	
	650	
	450	
	250	
	50	

## Very briefly:

• SKF AB, the Swedish maker of ball bearings, said its first-half profit fell by 26 percent to 817 million kronor (\$101.4 million) as high interest rates in Asia hurt demand and currency devaluations made its prices less attractive.

• Pressac PLC, the British maker of electronic components for automobiles, said it had agreed to buy G. Cartier Industrie SA of France for 624 million French francs (\$102.3 million) in a bid to broaden its geographical reach.

• The head of the European Central Bank will earn almost \$21,000 per month, a European Commission spokesman said. Asked about his salary, Wim Duisenberg told the European Parliament he would earn 40 percent more than the best-paid EU official.

• Dutch industrial output fell a greater-than-expected 3.3 percent in May as holidays depressed production after strong gains in April. Finland's industrial output fell 1.5 percent in May as metals companies produced less; Italy's industrial output, adjusted for working days and seasonal factors, rose a higher-than-expected 2.5 percent in May, pushed up by production of wood and metal products used in construction.

• Gruppo Gianni Versace SpA said its 1997 profit surged 34.5 percent to 99.4 billion lire (\$55.9 million) as rising European and U.S. sales offset declines in Asia, which the Italian fashion house said would hurt 1998 revenues.

• Leo Kirch, the German media magnate, has named Dieter Hahn as the chief deputy of his empire, the Kirch Group. Mr. Kirch will retain control of the group, while Mr. Hahn will begin immediately in the newly created position of vice chairman.

• Volkswagen AG's chief employee representative, Klaus Volkert, said workers would stick to their demands for a 28.8-hour week in order to secure jobs even though an order backlog of more than 600,000 cars was leading to lengthy waiting lists for customers.

(Bloomberg, Reuters, AFP)

## WORLD STOCK MARKETS

Wednesday, July 15

Daily prices in local currencies.

Tel Aviv

High Low Close Prev.

Amsterdam

High Low Close Prev.

Frankfurt

High Low Close Prev.

Johannesburg

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Kuala Lumpur

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**NYSE**

The 2,600 most traded stocks of the day.  
 Nationwide prices not reflecting late trades elsewhere.  
 The Associated Press.

[illegible]

14th Month	High	Low	Stock	Ch	Yr	PC	100-high	Latest	Open
14th	14.00	13.00	BARBARA'S	11	14	14.00	13.00	13.00	13.00
13th	13.00	12.00	BARTON	11	14	13.00	12.00	12.00	12.00
12th	12.00	11.00	BARTON	11	14	12.00	11.00	11.00	11.00
11th	11.00	10.00	BARTON	11	14	11.00	10.00	10.00	10.00
10th	10.00	9.00	BARTON	11	14	10.00	9.00	9.00	9.00
9th	9.00	8.00	BARTON	11	14	9.00	8.00	8.00	8.00
8th	8.00	7.00	BARTON	11	14	8.00	7.00	7.00	7.00
7th	7.00	6.00	BARTON	11	14	7.00	6.00	6.00	6.00
6th	6.00	5.00	BARTON	11	14	6.00	5.00	5.00	5.00
5th	5.00	4.00	BARTON	11	14	5.00	4.00	4.00	4.00
4th	4.00	3.00	BARTON	11	14	4.00	3.00	3.00	3.00
3rd	3.00	2.00	BARTON	11	14	3.00	2.00	2.00	2.00
2nd	2.00	1.00	BARTON	11	14	2.00	1.00	1.00	1.00
1st	1.00	0.00	BARTON	11	14	1.00	0.00	0.00	0.00
14th	14.00	13.00	BARTON	11	14	14.00	13.00	13.00	13.00
13th	13.00	12.00	BARTON	11	14	13.00	12.00	12.00	12.00
12th	12.00	11.00	BARTON	11	14	12.00	11.00	11.00	11.00
11th	11.00	10.00	BARTON	11	14	11.00	10.00	10.00	10.00
10th	10.00	9.00	BARTON	11	14	10.00	9.00	9.00	9.00
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2nd	2.00	1.00	BARTON	11	14	2.00	1.00	1.00	1.00
1st	1.00	0.00	BARTON	11	14	1.00	0.00	0.00	0.00
14th	14.00	13.00	BARTON	11	14	14.00	13.00	13.00	13.00
13th	13.00	12.00	BARTON	11	14	13.00	12.00	12.00	12.00
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1st	1.00	0.00	BARTON	11	14	1.00	0.00	0.00	0.00
14th	14.00	13.00	BARTON	11	14	14.00	13.00	13.00	13.00
13th	13.00	12.00	BARTON	11	14	13.00	12.00	12.00	12.00
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1st	1.00	0.00	BARTON	11	14	1.00	0.00	0.00	0.00
14th	14.00	13.00	BARTON	11	14	14.00	13.00	13.00	13.00
13th	13.00	12.00	BARTON	11	14	13.00	12.00	12.00	12.00
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11th	11.00	10.00	BARTON	11	14	11.00	10.00	10.00	10.00
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1st	1.00	0.00	BARTON	11	14	1.00	0.00	0.00	0.00
14th	14.00	13.00	BARTON	11	14	14.00	13.00	13.00	13.00
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1st	1.00	0.00	BARTON	11	14	1.00	0.00	0.00	0.00
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3rd	3.00	2.00	BARTON	11	14	3.00	2.00	2.00	2.00
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1st	1.00	0.00	BARTON	11	14	1.00	0.00	0.00	0.00
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12th	12.00	11.00	BARTON	11	14	12.00	11.00	11.00	11.00
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7th	7.00	6.00	BARTON	11	14	7.00	6.00	6.00	6.00
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3rd	3.00	2.00	BARTON	11	14	3.00	2.00	2.00	2.00
2nd	2.00	1.00	BARTON	11	14	2.00	1.00	1.00	1.00
1st	1.00	0.00	BARTON	11	14				

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1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	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Continued on Page 16

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# The 1998 International Herald Tribune Survey

RSVP

Dear Reader

As a reader of the International Herald Tribune, you are of vital importance to the newspaper, whether you are a regular, occasional or even a first-time reader. Only by knowing more about your thoughts on the newspaper content, your lifestyle and your business, can we endeavor to produce a better newspaper.

We would be very grateful if you could take the time to fill in this questionnaire, fold it following the instructions on the reverse side and post it (the postage is already paid). For every reply we receive we will donate a dollar to a charity.

If you wish to enter our free prize drawing, please fill in your name and address in the space provided below - two winners will be sent a decanter of Fine Champagne Cognac Extra from Rémy Martin.

Thank you very much for your time.

*Peter C. Goldmark Jr.*

Peter C. Goldmark Jr.  
Chairman and Chief Executive

## WIN A DECANTER OF FINE CHAMPAGNE COGNAC EXTRA



**RÉMY MARTIN**  
FINE CHAMPAGNE COGNAC

To thank you, a dollar will be given  
to a charity of your choice.  
Please indicate which of these charities  
should benefit from your dollar donation.

World Wildlife Fund ☐ Cancer Research ☐  
Médecins Sans Frontières ☐ International Red Cross ☐

### 24a - What is the main activity of your organization?

Manufacturing/engineering ☐ Computing ☐  
Primary industry/utilities ☐ Telecommunications ☐  
Construction ☐ Other business services ☐  
Wholesale/retail ☐ Education ☐  
Travel/tourism/transportation ☐ Medical ☐  
Publishing/printing/broadcasting ☐ Legal ☐  
Banking ☐ Government/diplomatic ☐  
Other financial services ☐ Other (WRITE IN) ☐

### 24b - For those of you working in the financial sector, which of the following best describes your job function?

Financial Analyst ☐  
Portfolio Manager ☐  
Investment Department Head ☐  
Other (WRITE IN) ☐

### 25 - How many people does your organization employ?

Country of residence ☐ World-wide ☐  
Under 10 ☐ 112-121 ☐  
10-49 ☐  
50-99 ☐  
100-249 ☐  
250-499 ☐  
500-999 ☐  
1000-4999 ☐  
5000+ ☐  
Does not operate outside your country of residence ☐

### 26 - Please indicate for which of the goods or services listed below you are wholly or partly responsible for your company's decisions to purchase, lease or change suppliers?

Desktops/PCs ☐ Other financial services ☐  
Software ☐ Business services ☐  
Network systems ☐ Company vehicles ☐  
Telecom systems/equipment/services ☐ Corporate/business aircraft ☐  
Other office equipment/technology ☐ Conferences/trade fairs/exhibitions ☐  
Commercial banking services ☐ International courier/freight services ☐  
Investment banking services ☐ Plant and equipment/raw materials ☐  
Corporate investments ☐ Bus. premises/industrial site selection ☐

### 27 - Do you have international responsibilities in your job?

Yes ☐ No ☐

### ABOUT YOU...

28 - I am: Male ☐ Female ☐

29 - Age: Under 25 ☐ 35-44 ☐ 55-64 ☐  
25-34 ☐ 45-54 ☐ 65+ ☐

### 30 - How many children do you have either living at home or away from home (but for whom you are financially responsible)?

a) aged under 15 ☐ None ☐ One ☐ Two ☐ Three ☐ Four or more ☐  
b) aged 15 or over ☐

### 31 - Which country do you currently live in?

WRITE IN ☐

### 32 - How long have you been living in your country of residence?

Less than 1 year ☐ 2-5 years ☐ 10 years + ☐  
1-2 years ☐ 5-10 years ☐

### 33 - Which country are you a Citizen/National of?

WRITE IN ☐

### 34a - Which level are you educated to:

Doctorate ☐ Standard university level ☐  
MBA ☐ Secondary/high school level ☐  
Higher university degree level ☐

### 34b -

Are you currently studying for an MBA? ☐ Yes ☐ No ☐  
Do you have any plans in the future to study for an MBA? ☐

### 35 - Approximate household income (pre-tax) in US\$ from all sources:

Up to \$30,000 ☐ \$150,000 to under \$200,000 ☐  
\$30,000 to under \$50,000 ☐ \$200,000 to under \$300,000 ☐  
\$50,000 to under \$100,000 ☐ \$300,000 to under \$500,000 ☐  
\$100,000 to under \$150,000 ☐ \$500,000 and over ☐  
Or, write in own currency: ☐

### 36 - Which, if any, of the following categories of personal investments and financial services do you have or use?

Life insurance ☐ Gold/precious metals ☐  
Private banking ☐ Commodities ☐  
Private pension plan ☐ Foreign currency ☐  
Stocks or bonds ☐ Property/real estate (wholly owned) ☐  
Government securities ☐ Collectibles (art, antiques, coins, stamps) ☐  
Funds/unit trusts ☐

In order to be eligible for the prize drawing, please write in your full name and address in the space provided.

Title: Mr/Mrs/Miss/Dr/Prof. ☐ Other ☐

First Name ☐ Family Name ☐

Address ☐

Postal Code ☐ City/Town ☐ Country ☐

Telephone no. ☐

E-mail address ☐

The IHT frequently seeks to conduct surveys amongst its readers for purposes of editorial and commercial development. If you do not wish to be contacted in the future please check the box below. We can assure all respondents to this questionnaire that their names and addresses will not be used for any purpose, nor passed on to any third parties, other than for IHT research, and only then with their permission.

I do not wish to participate in further IHT surveys over the next 18 months. ☐

Thank you for your cooperation. Now simply follow the folding instructions on the reverse of the questionnaire and please post it.

\*Valid where legal.

Please indicate your responses with an X in the appropriate boxes.

### YOU AND THE INTERNATIONAL HERALD TRIBUNE...

1 - How often do you usually read or look at the IHT?  
5-6 days a week ☐ 1-2 days a week ☐  
3-4 days a week ☐ Less than once a week ☐

2 - How do you usually obtain your copy of the IHT?  
when in home country ☐ when traveling ☐  
Home subscription ☐ Airline ☐  
Personal office subscription ☐ Hotel ☐  
Colleague/friend/relative ☐ Newsstand ☐  
Newsstand ☐ Other ☐  
I only read the IHT when traveling ☐

3 - And how many people excluding yourself usually read your copy of the IHT?  
One ☐ Three ☐ Five or more ☐  
Two ☐ Four ☐ No one else ☐

4 - On average, how much time do you spend reading the IHT?  
Less than 15 minutes ☐ 1-2 hours ☐  
15-29 minutes ☐ 2-3 hours ☐  
30-44 minutes ☐ Over 3 hours ☐  
45 minutes-1 hour ☐ Not sure ☐

5 - For a typical issue of the IHT, what percentage of pages do you look at or read from before you discard the newspaper?  
100% ☐ 60% ☐ 20% ☐  
80% ☐ 40% ☐ Less than 20% ☐

6 - Usually, how many separate times do you pick up your copy of the IHT before you have finished with it completely?  
WRITE IN ☐

7 - How many other daily newspapers do you usually read? (Please include all daily titles whether they be international, national or local)  
One ☐ Three ☐ Five or more ☐  
Two ☐ Four ☐ No other ☐

8 - If you had to rank by order of importance to you personally the daily newspapers you read, where would you rank the IHT?  
First ☐ Second ☐ Third ☐ Other (WRITE IN) ☐

9 - Please indicate your level of agreement with the following statements regarding the IHT:

Publication I want to read ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree ☐  
You can believe what you read in it ☐  
I look forward to reading it ☐  
Is a leisurely read ☐  
Is a publication I read thoroughly rather than skim ☐

10a - Do you ever read the IHT on the internet?  
Yes ☐ No ☐

10b - If yes, Each day ☐ 1-2 times/week ☐ 3-4 times/week ☐ 5 times/week ☐ Less often ☐

### AIR TRAVEL...

11 - Approximately how many international air trips have you made in the last 12 months?

Business Pleasure ☐ Business Pleasure ☐ Business Pleasure ☐  
1-3 trips ☐ 11-15 trips ☐ none ☐  
4-6 trips ☐ 16-20 trips ☐  
7-10 trips ☐ 21+ trips ☐

12 - Which, if any, of the regions listed below have you visited by air in the last 12 months?

Business Pleasure ☐ Business Pleasure ☐  
Austria ☐ Hong Kong ☐  
Belgium/Luxembourg ☐ India ☐  
France ☐ Indonesia ☐  
Germany ☐ Japan ☐  
Greece ☐ Korea ☐  
Israel ☐ Malaysia ☐  
Italy ☐ Philippines ☐  
Netherlands ☐ Singapore ☐  
Scandinavia ☐ Taiwan ☐  
Spain ☐ Thailand ☐  
Switzerland ☐ Other Asia/Pacific ☐  
UK ☐ USA ☐  
Eastern Europe ☐ Canada ☐  
Other Europe ☐ Central America/Caribbean ☐  
Africa ☐ South America ☐  
Australia/New Zealand ☐ Middle East ☐

13a - For business trips what class of travel do you usually use?

Trips up to 4 hours ☐ Trips of 4 hours or more ☐  
First Class ☐  
Business Class ☐  
Economy ☐

13b - How many frequent flyer clubs are you a member of?  
None ☐ One ☐ Two ☐ Three or more ☐

14 - Approximately how many nights have you spent in hotels on business in the last 12 months?  
1-7 ☐ 15-29 ☐ 50-74 ☐  
8-14 ☐ 30-49 ☐ 75+ ☐ none ☐

15 - In the last 12 months, have you:  
flown in your own private plane? Yes ☐ No ☐  
flown in your company's plane? Yes ☐ No ☐

### ABOUT YOUR LIFESTYLE...

16 - Which, if any, of the following cards do you use? (Please check all that apply.)

AMEX Gold/Platinum ☐ Any other card ☐  
AMEX Green ☐  
Visa Gold/Premier ☐ International telephone calling cards ☐  
Other Visa ☐ - AT&T ☐  
MasterCard Gold ☐ - MCI ☐  
Other MasterCard ☐ - Sprint ☐  
Diners Club ☐ Any other intl calling cards ☐

17 - Which of the following items have you bought in the last 12 months, whether for yourself, your household or as a gift? (Please check all that apply.)

Cognac ☐ Perfumes ☐  
Blended/malt whisky ☐ Watches ☐  
Canadian/US/irish whisky ☐ Jewelry ☐  
Gin ☐ Designer clothing ☐  
Vodka ☐ Leather items ☐  
Crystalware ☐ Writing accessories ☐

18a - How many cars do you have in your household?  
none ☐ one ☐ two ☐ three or more ☐

18b - Do you have a company car?  
Who chose it? Yes ☐ No ☐  
Your company ☐ You ☐

18c - What is the size of the engine of your:  
under 1999cc ☐ 2000-3000cc ☐ over 3000cc ☐  
personally owned car? ☐  
company owned car? ☐

19 - Which of the following do you currently use?

Personally ☐ For business ☐  
Personal computer ☐  
Laptop/notesbook/handheld computer ☐  
CD-ROM ☐  
Video conferencing ☐  
Cellular/mobile phone ☐  
Compact satellite phone ☐  
The Internet/other on-line services:  
- for business and finance information ☐  
- for general information ☐

20 - Which, if any, of the following publications do you read regularly (at least 3 out of 4 issues)?

Financial Times ☐ The Economist ☐  
USA Today ☐ The European ☐  
The Asian Wall Street Journal ☐ Far Eastern Economic Review ☐  
The Wall Street Journal Europe ☐ Newsweek ☐  
BusinessWeek ☐ Time ☐

21 - Which, if any, of the following have you done in a business or personal capacity in the last twelve months?

Acted as adviser to another company ☐  
Been interviewed on TV, radio or by the press ☐  
Had an article, paper or book published ☐  
Sat on an industrial/professional committee ☐  
Lobbied or advised members of national/local government ☐  
Been involved in an environmental/conservation/animal welfare group ☐

### YOUR WORK...

22 - Are you currently:  
Working full/part time ☐ A student ☐  
Not in paid employment/other ☐ Retired ☐

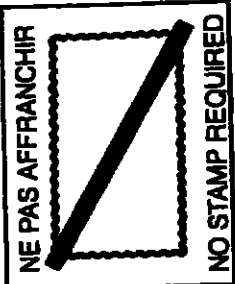
23 - What is your job title or position?

Owner/Partner ☐ Politician/Government Minister ☐  
Chairman/President/CEO ☐ Diplomat/Senior Government Official ☐  
Managing Director ☐ Medical ☐  
Vice President ☐ Legal ☐  
General Manager ☐ Education ☐  
CFO/Finance Director/Treasurer ☐ Clerical position ☐  
Department Head ☐ Other job/position (WRITE IN) ☐  
Consultant ☐  
Other senior position ☐  
Other Director/Manager ☐



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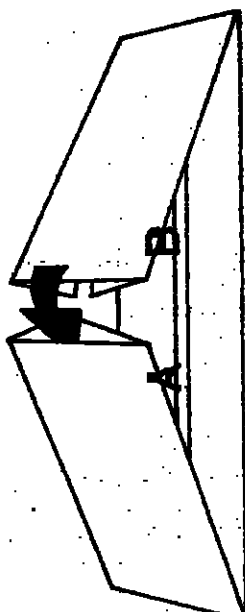
FOURTH FOLD



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First fold to Fourth fold.  
Then tuck Flap B into Flap A.



THIRD FOLD

By air mail  
*Par avion*

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IF OUTSIDE UK PLEASE AFFIX STAMP

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Credits Now,  
Karta Says

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## ASIA/PACIFIC

# Budget Needs \$10 Billion in Credits Now, Jakarta Says

Compiled by Our Staff From Dispatches

JAKARTA — President B.J. Habibie of Indonesia warned Wednesday that the country needed at least \$10 billion in additional emergency credit to prevent its budget deficit from ballooning out of control.

The warning came as the International Monetary Fund is poised to resume loans from its \$43 billion bailout package for the country. A planned disbursement of \$1 billion, originally due to be released in May, was considered by the agency's board.

Mr. Habibie said he was confident the IMF would resume disbursement of the loans. The IMF and the Indonesian government agreed on a new set of economic targets last month, the first step in the resumption of the disbursements.

But the funding is only a small part of the money Indonesia may need to help see it through the collapse of its currency and its economy.

With its revenue ravaged by the deteriorating economy, the government needs more money to protect a promise to the IMF not to let the budget deficit exceed 8.5 percent of gross domestic product. It has been in talks with the agency for about \$6 billion in additional funds, which would come on top of the \$43 billion bailout plan.

Almost half of Indonesia's 200 million people are expected to slip below the poverty line by the end of 1998.

Indonesia is grappling with its first recession in 30 years as an 83 percent plunge in the value of its currency in the past 12 months has left most companies unable to repay foreign debts. The government has taken over 70 percent of the banking system, and inflation has soared to a 23-year high of 52 percent.

Disbursements from the IMF-brokered bailout have been suspended since May, when anti-government riots erupted in Jakarta and provoked the resignation of President Suharto.

Separately, Indonesia's central banker said the country would welcome the acquisition of some of the country's banks by foreign lenders. "Recapitalization of banks, mergers, acquisitions — this is the kind of role that might be expected from foreign banks, one of their normal business," Achjar Niyas, the managing director of Bank Indonesia, said. (Bloomberg, Reuters)



INVESTMENT VENTURE — Arthur Ryan, left, chairman of Prudential Insurance Co. of America, joining Keiichi Nishida, president of Mitsui Trust & Banking Co. in Tokyo on Wednesday to announce the formation of a mutual fund joint venture in Japan.

## Brunei's Civil Servants Get a Raise

By Thomas Fuller  
International Herald Tribune

BANDAR SERI BEGAWAN, Brunei — Bucking a trend in Southeast Asia, the Sultan of Brunei gave civil servants in this tiny, oil-rich country a raise of as much as 14 percent Wednesday, a move that will benefit 80 percent of the country's working citizens.

The sultan announced the raise — officially called an "allowance" — during a speech marking his 52nd birthday.

He said his subjects needed the extra money to combat the ill effects of the Southeast Asian economic crisis.

The raise, weighted toward lower-income workers, will not benefit Brunei's thousands of foreign workers. The move contrasts with policies in other countries across the region where salaries for civil servants have been cut or frozen.

The Wednesday announcement came as this tiny, oil-based country found itself increasingly exposed to the region's troubles. A persistent slide in crude oil prices has slashed government revenue, and the recent collapse of one of the country's biggest companies has hurt investor confidence and left infrastructure projects unfinished.

Brunei's currency, which is pegged to the Singapore dollar, has remained relatively stable, but this has served to make Brunei more expensive than its neighbors.

Shoppers often travel to nearby Malaysia, which has suffered a steep devaluation of its currency, to stock up on groceries and other goods.

Analysts said Wednesday that the salary increase will inject much-needed liquidity into the economy. Brunei's peg to the Singapore dollar has allowed deposits to be drawn out of the country and into Singapore.

"It's a one-way pipeline," said a Western banker here. Singaporean banks are banned from lending their local currency outside the country.

for trades of more than 50 million yen were scrapped in April. That sparked competition among brokerage firms. Nomura, for one, slashed its stock trading commissions and said it would not charge some clients for trades. Overall, Nomura's trading commissions fell 27 percent.

"For the next two to three years, the trend is down," said Robert Garone, an analyst at Dresdner Kleinwort Benson (Asia) Ltd. "The key is for Nomura to make it up in asset management and other growth areas."

Nomura's first-quarter consolidated company profit fell to 14.8 billion yen on a 17 percent fall in revenue, to 91.2 billion yen. Daiwa's parent company profit fell to 2.4 billion yen, and revenue fell 22 percent, to 62.2 billion yen. Nikko revenue fell 19 percent, to 47.4 billion yen.

Penalties levied against Daiwa and Nikko by the Finance Ministry for a series of scandals also hurt their earnings, analysts said. Sanctions against Nomura, the first of the three brokers to be punished for paying off a racketeer, expired at the end of last year.

Daiwa was banned from trading on its own account for four months through April 24. Nikko's penalties for paying off a racketeer expired in March. Nikko was also banned from trading on its own account for part of April and May for attempting to manipulate Softbank Corp.'s share price and funneling profits to a former politician.

Regulations setting commissions

## New Rules on Commissions Trim Japan Brokers' Profits

Bloomberg News

TOKYO — The three largest brokerage firms in Japan — Nomura Securities Co., Daiwa Securities Co. and Nikko Securities Co. — said Wednesday that quarterly profits fell as new regulations let clients negotiate lower trading commissions.

Nomura, the largest of the three, said current, or pretax, profit declined 58 percent in the fiscal first quarter, which ended June 30. Daiwa, the second largest, said parent company current profit fell 84 percent in the first quarter. Nikko announced a loss of 7.4 billion yen (\$52.9 million), after a loss of 1.9 billion yen a year earlier.

Regulations setting commissions

points in deciding the winning bid, Mr. Lee said, while the ability to guarantee jobs and market vehicles overseas would count for 25 points. Prospects for long-term development would count for the final points.

Mr. Lee set tough terms for bidding, saying prospective owners had to offer more than the current share price.

At the same time, both Kia and Asia Motors will write off 90 percent of their capital and issue new shares. Under this plan, Kia will have 1.5 trillion won (\$1.1 billion) in capital, while Asia Motors will be left with 600 billion won in capital.

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## Strike Widens As Seoul Hunts Labor Leaders

Compiled by Our Staff From Dispatches

SEOUL — South Korean police launched a manhunt Wednesday for 55 top union leaders as workers at state companies defied government warnings and joined tens of thousands of angry strikers in a general stoppage.

But financial-sector unions said they were undecided on strike action or had delayed it because of concerns about lack of public support.

About 140,000 workers from 55 unions, including 55,000 auto and metal workers already on a three-day stoppage, were on strike Wednesday, union officials said.

Kim Se Ok, the Seoul police chief, said the hunt was launched nationwide to detain the country's most well-known union leader, Dan Byung Ho of the Korean Federation of Metal Workers Unions, and 54 other leaders for instigating illegal strikes.

Despite the crackdown, the metal workers' union and the country's militant Korean Confederation of Trade Unions renewed threats on Wednesday to launch a general strike on July 22.

Both union groups denounced the government for launching the manhunt.

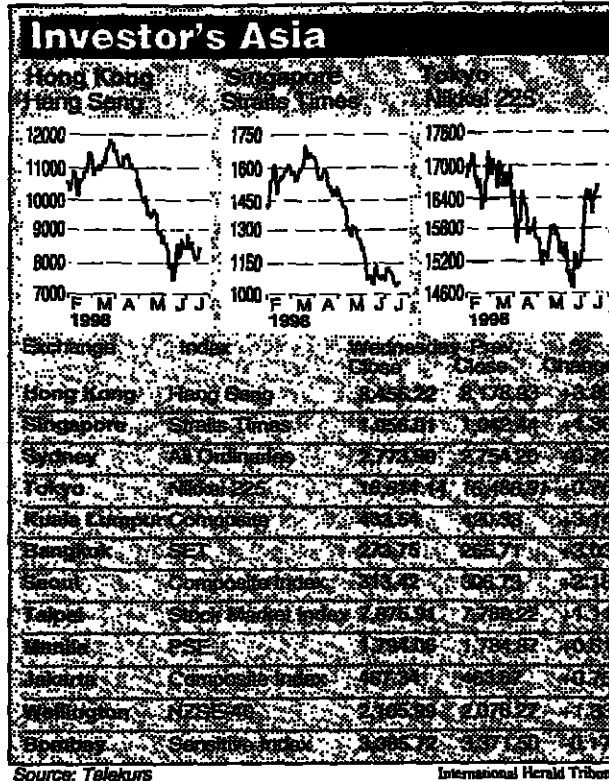
"We are trying to find a solution, but look at what the government is doing," a spokesman for the metal workers' union said.

Signs of stress also appeared within the labor movement as unions at banking institutions called off plans to join in and protest the government's forced merger of five ailing banks with stronger institutions.

But limited participation in this week's strikes has underscored the weakening influence of the country's labor unions.

"The workers who have been striking are relatively well-paid and that is why the general public is not that sympathetic," said Kim Dae Il, a labor economist at the state-run Korea Development Institute.

(AFP, Reuters)



## Very briefly:

- Sime Darby Bhd. expects to complete the sale of its 60.3 percent stake, valued at 770 million ringgit (\$186 million), in Sime Bank Bhd. to Rashid Hussain Bhd. by Sept. 6.
- Bank of Thailand officials said that at least 25 Thai corporations have restructured their 2.8 billion baht (\$68 million) debts.
- Japan's steel production in June fell 10.9 percent from the same month a year ago to 7.75 million metric tons, the Iron and Steel Federation reported.
- Glaxo Wellcome PLC said it was in talks with Young Jin Pharmaceutical Co. which may lead to Glaxo investing in the financially troubled Korean company.
- Matsushita Electric Industrial Co., Sony Corp., Victor Co. and Philips Electronics NV of the Netherlands have agreed with the Chinese government to create a video compact disk standard to counter patent piracy.
- Philippine Airlines Inc. intends to spin off its major services into different joint ventures within the next six months, a senior airline official said.
- Showa Shell Sekiyu KK, Japan's third-largest oil refiner, plans to close a refinery for the first time. The Niigata prefecture plant is the smallest of Showa's five refineries.
- The Philippine government's budget deficit increased to 24 billion pesos (\$574 million) in the first six months of 1998, widened from a deficit of 15.5 billion pesos in the first five months. (Bloomberg, AFP, Reuters)

## Executives Targeted at China's 2d-Largest Brokerage

Bloomberg News

SHANGHAI — Senior executives at J & A Securities Co., China's second-largest brokerage, are under investigation after auditors discovered 1 billion yuan (\$120 million) missing from the firm's accounts, J & A employees said Wednesday.

Zhang Guoping, the president, and Yang Jun, the general manager, were summoned to Beijing on Tuesday for questioning, according to employees at the firm, which is backed by the People's Liberation Army. Hong Kong newspapers reported that Mr. Zhang had been arrested.

"The government has tried several times to investigate, but the

company didn't cooperate," said Han Chunxu, a researcher at the Stock Exchange Executive Council controlled by the State Council's restructuring office. "They just kept investigators at the gate."

Word of the inquiry sent Chinese stocks tumbling for a second day. The index of Shenzhen stocks open to foreign investors fell 2.4 percent. The firm, based in Shenzhen, with total assets of 17.56 billion yuan, is one of China's most active stock traders and a major underwriter of mainland stocks.

Yin Ke, one of the firm's executive directors, is now in charge of the day-to-day operations, said an official at the Shenzhen Securities Commission.

## KIA: Carmaker Put on Auction Block

Continued from Page 11

including Asia Motors Corp., a subsidiary that makes trucks and vans, and subsidiary component manufacturers.

Mr. Lee said Hyundai, Daewoo and Samsung would all be invited to enter bids along with any foreign manufacturer that ranked among the world's top 20 motor vehicle companies. Any company that wants to take over Kia should acquire 51 percent of the stock, he said.

Bidding price and cash flow would each count for 30 of 100

points in deciding the winning bid, Mr. Lee said, while the ability to guarantee jobs and market vehicles overseas would count for 25 points. Prospects for long-term development would count for the final points.

Mr. Lee set tough terms for bidding, saying prospective owners had to offer more than the current share price.

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Regulations setting commissions

## OPTIONS: When Company's Stock Falls, Repricing Benefits the Staff

Continued from Page 11

while keeping those people brings the prospect of more revenues and higher share prices.

Other experts defend stock options as an appropriate reward for employees who commit their time and careers to a company, while investors can far more easily move their money elsewhere if things go wrong.

The fact is, though, that higher share prices do not necessarily follow when the options bar is lowered.

"After option repricings, share prices move in a random walk," said David Yermack, associate professor of finance at New York University's Stern School of Business.

And new data show that once companies reprice options, there is a good chance that they will do it again — thus becoming serial repricers.

As for large companies, like those making up the Standard & Poor's 500-stock index, perhaps one company a year reprices executive options. But at midsize companies, slightly more than 1.2 percent of options held by executives are repriced each year, Mr. Yermack found in his latest study.

Repricing, he found, is even more common among smaller companies, with 2 percent of executives' options repriced annually from 1992 through 1995.

Mr. Yermack's findings understate the situation because he limited his research to

executives. Companies like Ascend, which repriced options for everyone except officers named in proxy statements, were excluded from his study.

SEC rules require detailed disclosure in proxy statements, which are mailed to all shareholders, when a repricing occurs on options granted to the chief executive and other named executives. But if the executives are excluded, these rules do not apply, even though the cost to outside shareholders may be much greater.

At Ascend, when the five executives named in the proxy statement did not have their options repriced, they were granted 712,000 new options, all at prices below the lowest repriced options for other employees.

## AIRPORT AUTHORITY

### Sale of Used Equipment and Ferries

The Airport Authority intends progressively to offer for sale by tender equipment which has been used during the construction of the new airport at Chek Lap Kok. The disposal programme is expected to commence during August 1998 and should continue over a period of about one year.

The proposed tender packages are:

- |   |  |
|---|--|
| Package 1 - prefab. office (17,000m <sup>2</sup> )  | Package 17 - 5 x road sweepers   |
| Package 2 - 2 x prefab. workshops (incl. equip.)  | Package 18 - 2 x forklifts   |
| Package 3 - prefab. labour camp for 4000 persons  | Package 19 - miscellaneous light vehicles  |
| Package 4 - 100 x container offices   | Package 20 - 1 x landing craft + sampan  |
| Package 5 - office equip. (incl. fax, copiers, typewriters, shredders, refrigerators, air-cons. etc.) | Package 21 - 13 x ferries  |
| Package 6 - 100 x mobile phones   | Package 22 - 15 sets buoys etc.  |
| Package 7 - 240 x trunk radios  | Package 23 - materials testing and laboratory equip.                                       |
| Package 8 - 3 x ambulances  | Package 24 - 2 x water treatment and storage plants (1150 and 1320 cu m per day)           |
| Package 9 - 5 x fire trucks (incl. equip.)  | Package 25 - mechanical bar screen (sewage), pump and compactor                            |
| Package 10 - 13 x trucks  | Package 26 - 3 x diesel gen. sets (563KVA)   |
| Package 11 - 32 x 4WD vehicles  | Package 27 - medical centre equip.   |
| Package 12 - 11 x 4WD pick-ups  | Package 28 - survey equip.   |
| Package 13 - 32 x light buses   | Package 29 - miscellaneous kitchen equipment including banquet masters and gannamed system |
| Package 14 - 26 x buses   | Package 30 - 10 x heavy duty AC units  |

Parties who wish to purchase any of the above equipment should express their interest in writing stating the party's name, address, name of contact person with fax and telephone numbers and the package(s) in which they are interested, addressed to: -

The Project Director  
Airport Authority  
8 Chun Yue Road  
Hong Kong International Airport  
Lantau, Hong Kong  
Attn: Ms. Stella Fok  
Tel. No. (852) 2769 1160  
Fax No. (852) 2802 8231

When the relevant equipment is available parties who have expressed interest will be invited to tender and will be issued with tender documents including details of the equipment and instructions regarding inspection.



- ACROSS**
- 1 Word
  - 4 Mischief
  - 11 "Uh-uh"
  - 14 "Dear Eyre" girl
  - 15 When repeated, a Western city
  - 16 "You — here"
  - 17 Part 1 of an idle query
  - 18 Thickness
  - 20 Hold up
  - 21 Fine-tuned
  - 23 Dad-blamed
  - 25 French city in W.W. II fighting
  - 27 Address Manili

**Solution to Puzzle of July 15**

INFER, THANE, OAR, LUNGE, OASIS, APE, NIGHTCLUBS, PPD, TEARS, SOPHIA, GOW, BEIGE, ONAN, ARID, KNOWLEDGE, MEYES, DEUCE, POSITIVE, SICKER, ELEN, DANTE, KNUCKLES, TON, AUNT, PASTA, TINT, DASSES, SERIF, ONE, KNEW, ELAND, OCT, GIVEN, OSTER, WES, STATE, TARDY

- DOWN**
- 1 "And pigs fly"
  - 2 Brahma
  - 3 Condensation
  - 4 Bygone
  - 5 Singer Young
  - 6 Influenced
  - 7 Rhin
  - 8 Fainting, as from surprise
  - 9 Meas rows
  - 10 Lockmaker of note
  - 11 Saint guard
  - 12 Dated of "Watch the Birds"
  - 13 The best of times
  - 14 Denounce in no uncertain terms
  - 15 Embraces
  - 16 Magic man
  - 17 Naming

**DOWN**

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**Wednesday 3-4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press*

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1

NYSE

[illegible][illegible][illegible]

type	12 Month High	Low	Stock	Div Yr	PE	100 High	Low	Label
778	222	174	24	1	17	24	17	24
779	222	174	24	1	17	24	17	24
780	222	174	24	1	17	24	17	24
781	222	174	24	1	17	24	17	24
782	222	174	24	1	17	24	17	24
783	222	174	24	1	17	24	17	24
784	222	174	24	1	17	24	17	24
785	222	174	24	1	17	24	17	24
786	222	174	24	1	17	24	17	24
787	222	174	24	1	17	24	17	24
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954	222	174	24	1	17	24	17	24
955	222	174	24	1	17	24	17	24
956	222	174	24					

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July 15, 1998

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**A5 - Austrian Dollars; AS - Austriian Schillings**  
**A6 - Belgian Francs; BS - Canadian Dollars; D - Deutsche Marks; DA - Danish Kroner; DP - Dutch Guilders; ECU - European Currency Unit; FF - French Francs; Fl - Finnish Markka; DM - German Deutschmark; Gr - Greek Drachma; HK - Hong Kong Dollars; Lf - Luxembourg Franc; P - Pennies; MYR - Malaysian Ringgit; Pa - Pacific; S\$ - Singapore Dollars; SF - Swiss Franc; Sfr - Swedish Kronor; THB - Thai Baht; Y - Yen.**

a - added +; Other Prices/May - Not Available  
 N.C. - Not Communicated; N - New; S - Second  
 \* - Estimated; \*\* - Estimated by other sources  
 Pairs: = Offer Price Inc. 3% premium charge  
 - Paris exchange; ~ Amsterdam exchange;  
 unquoted earlier; x not registered w/  
 regulatory authority; P offers in bid and offer  
 prices; / - bid and offer prices; - - - - -  
 days prior to publication; x bid price.

The marginal symbols indicate frequency  
 quotations supplied: d - daily; h - weekly;  
 bi-monthly; f - fortnightly; g - quarterly;  
 tri-weekly; sa - monthly; y - twice monthly;



## WORLD ROUNDUP

### Racing the Clock

**Athletics** Hicham Guerrouj, latest in the distinguished line of Muslim 1,500-meter world record holders, says he plans to reduce his own world mark by a further two seconds.

The 23-year-old Moroccan took an astonishing 1:37 seconds from Noureddine Morceli's previous world mark in a meet in Rome on Tuesday night, clocking 3 minutes 26 seconds. "I ran 3:33 here in pouring rain last year," he said. "If God wants I'll come back to Rome next year and I'll run 3:24." (Reuters)

### Steelers Stay and Go

**Football** The Pittsburgh Steelers already have signed their first important free agent for the 2000 season: their coach, Bill Cowher. The Steelers made Cowher one of the NFL's four highest-paid coaches by doubling his salary from \$1 million to \$2 million a year.

In a separate move, the Steelers released Greg Lloyd, 33, a five-time Pro Bowl linebacker whose nasty temperament and aggressive personality were the trademarks of their defense of the 1990s. (AP)

### FIFA Doesn't Believe It

**Soccer** Brazil remained on top of FIFA's world soccer rankings despite its loss to France in the World Cup final. The French, meanwhile, moved up 15 places to No. 2. (AP)



Brad Faxon of the United States practicing on Wednesday at Birkdale.

### Despite Sore Elbow, Faldo Says He's Fit to Play

By Leonard Shapiro  
Washington Post Service

**SOUTHPORT, England** — Nick Faldo of England got in a full practice round Wednesday and declared himself fit enough to play Thursday despite a sore right elbow that forced him to withdraw last week from the European Tour's Loch Lomond event in Scotland.

"The arm is doing great," said

Faldo, a three-time British Open champion. "I played a proper round and didn't hold back on anything. I even hit two dozen practice balls afterward. All in all, it's knitted together well and everything is fine. I'm pleasantly surprised. As the ground gets harder, I'll have to be careful, just don't take too big a divot. It does get a little tight, but there is no pain."

## Golf the Way It's Meant to Be Played

### British Open Offers Adversity in Both Weather and Terrain

By Leonard Shapiro  
Washington Post Service

**SOUTHPORT, England** — The wind has been howling, the rain has been spitting out of menacing slate-gray skies and the layered look has been de rigueur all week. And so, as the 127th British Open begins here Thursday morning, hard by the Irish Sea, all the elements are in place for a rollicking run of golf the way it was meant to be played on an unforgiving course that will not suffer fools gladly.

"The more you play the game, the more you realize that failure is more prevalent than success," Tom Watson,

#### BRITISH OPEN

winner of five British Opens, including his last in 1983 here at Birkdale, said Wednesday. "This is a game of adversity. You just have to deal with it."

Every shot in their bulky bags will be required from the field of 156 players, most of them trotting out turtle-necks and stocking caps to keep warm in the chilly breeze. There will be some shots many have never even thought of attempting should they happen to stray from narrow fairways cut through the sand hills all around this 7,018-yard, par-70 layout that Watson considers among his favorites in links-style golf.

Because of a particularly wet winter in this breezy corner of the world, the rough is unusually straggling for this seventh Open at Birkdale. Balls hit into the high grass will be suitably penalized, if they can be located in the first place.

"There will be a lot of golf balls out there for the members to find next

week," Watson said. "They'll all be able to fill their practice sacks."

Since the last Open here in '91, Birkdale's greens have also been rebuilt. Soft and spongy eight years ago — "Pitching into them was like pitching into a laundry basket full of clothes," Jack Nicklaus moaned at the time — they have been replaced by firmer, faster and far more contoured surfaces.

Watson, 48 and 14 months removed from the Senior Tour, wouldn't say so Wednesday, but Birkdale may represent his last, best chance to equal Harry Vardon's record of six British Open titles from 1896 to 1911. Watson credits his own success on these shores, winning his first claret jug in 1975 at Carnoustie, to "my ability to get the ball up and down in bad conditions."

"People miss greens in bad conditions," Watson said. "Hell, that was my modus operandi — miss the green and get it up and down for par."

This week, as always, the competition is formidable, even if Greg Norman, a two-time champion, is out for the first time since 1988 with a surgically repaired shoulder and England's Nick Faldo, a three-time winner, is nursing a sore right elbow that forced him to withdraw last week in a European Tour event at Loch Lomond, Scotland.

Nicklaus also is among the missing. He ended a string of 36 straight British Opens going back to 1962 and 154 straight majors by withdrawing last week. He said he preferred to save his sore left hip for the U.S. Senior championship next week in Los Angeles.

Justin Leonard will try to defend the title he won a year ago at Royal Troon, where weather conditions were severe

in the first round but mostly benign over the last three. At 26, he is a superb tactician, an absolute necessity in negotiating this tricky territory, with a fine feel for all the subtle short-game shots required at every hole.

And Leonard, who came from five off the pace to win three of his four professional titles, makes big-time punts under pressure. At Troon last year, he sank a 15-footer for par at the 15th, a 15-footer for birdie at the 16th, and a 30-footer for birdie at the 17th to catch and finally beat Sweden's Jesper Parnevik. "I feel a bit more at ease this week," Leonard said Wednesday after playing 77 holes in the practice rounds, three less than his Troon preparation. "I feel more relaxed because I accomplished something at this level last year. Part of the pressure is gone now."

Tiger Woods is under some pressure if only because of somewhat disappointing finishes in the Masters (tied for 8th) and U.S. Open (tied for 18th) and a perception that he has had an off-year, even if he insists his game is vastly improved from a year ago. In addition to a win at Atlanta, he has had seven other top 15 finishes on the PGA Tour, earned \$1.15 million and remains the No. 1 ranked player in the world. Some slump.

Woods is being listed as the favorite by several national bookmaking firms, including the William Hill company, which makes him a 10-to-1 choice.

Home course fans are focused on 25-year-old Lee Westwood, the hottest player in the game with seven victories over the last nine months, and Colin Montgomerie. The Scotsman is now easily the best player in the world without a major championship.

## ULTRA: For the Ultimate Challenge in Hardship, Try the 135-Mile Marathon Across Death Valley

Continued from Page 1

a kind of eccentric cousin to regular track and field. The sport's roots extend to the late 1800s and what was called pedestrianism, in which amateur and professional athletes competed in sometimes weeklong running marathons around a track, or city-to-city races of 500 miles or more.

What has happened, however, is that old-fashioned running has merged, in both style and substance, with harder-edged sports like mountain bike racing and rock-climbing. Harsh settings and promotional literature that relies on words like "extreme" have become part of ultrarunning's package.

"It used to be a big deal to finish a marathon," said Ted Corbitt, who is credited with helping revive interest in ultramarathoning in the 1960s and 1970s. "But there's been an evolution. People wanted more challenges, and they're willing to suffer."

For Ms. Smith, the Badwater race — formally named Hi-Tec Badwater for the shoe company that created it in 1987 and still sponsors it —

has added meaning. Of the expected field of 31 American and international competitors, there are only three women, and two of them, Ms. Smith and Julie Teiger, 44, trained together in Bernardsville. The third woman in the race is Anita Allen, 44, of Miami.

Ms. Smith and Ms. Teiger met in an aerobic class at the Bernardsville YMCA. "We were soul mates," Ms. Teiger said of Ms. Smith. "Our arm swings would be in sync when we ran, and our breathing would be quite similar."

Ms. Smith worked as a coach and trainer with Ms. Teiger, who now lives in Utah, and this year she persuaded her friend to test herself against foot racing's worst.

"I am scared. I am really scared," Ms. Teiger said in a telephone interview late last week from her home in Park City, Utah. "But I am going on trust in Lisa, because she said I can do it."

Ms. Smith should know what to expect. She has lived it, finishing twice. Last year, when she came in third, in just over 37 hours, she had to walk backward up the steep, final

grade to Mount Whitney because her ankles and quadriceps simply were not working for proper forward locomotion after 125 miles or so.

But the term "Ms. Smith" used to describe that journey, sitting at the table in her apartment in the quiet, leafy suburb of Bernardsville, were spiritual. Badwater, she said,

Nearly everyone hallucinates. One runner last year swore he had crossed the Golden Gate Bridge.

is about magic and the forces of the world that come alive after so many hours pushing and prodding at the limits of mind and body. Nearly everyone hallucinates, for example. One runner last year swore he had run at one point across the Golden Gate Bridge and recalled every detail. Ms. Smith saw goats fly overhead last year. She heard Indian chants and babies crying. You know you have arrived at

Badwater's heart, she said, when the visions start.

"It's the most incredibly spiritual place," she said. "It makes you want to live in the moment, experience the moment, live with it, take it, suck it all in."

Ms. Teiger said that on her friend's advice, she would go to Badwater with a spiritual agenda to try to shape her own marathon-inspired visions. She plans to think about the pioneer women who settled the West and who had to face challenges far beyond the calculated, artificial environment of a road race, however arduous. "They had miserable shoes, no water, carrying a baby on the hip, maybe burying a baby on the way," Ms. Teiger said. "And here we are with our fancy shoes and a car that follows us, carrying water. We've got it made."

Ms. Smith is hoping to break 34 hours this time. Part of her strategy, in keeping with the harsh spirit of the race, perhaps, is to do it without any sleep. The first year, she slept for two hours. Last year she caught a 45-minute nap, and only then because her mother, Dorothy Smith, who was part of her racing crew, insisted.



Lisa Smith: "It's the hardest race in the world."

## SCOREBOARD

### BASEBALL

#### MAJOR LEAGUE STANDINGS

##### AMERICAN LEAGUE

##### EAST DIVISION

Team	W	L	Pct.	GB
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New York	46	21	.682	0
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Boston	33	38	.465	13
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Toronto	47	30	.611	2
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Baltimore	44	30	.595	5
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Tampa Bay	35	37	.486	14
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##### CENTRAL DIVISION

Team	W	L	Pct.	GB
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Cleveland	42	30	.583	0
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Minnesota	41	31	.569	1
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Kansas City	41	31	.569	1
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Chicago	39	33	.544	4
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Detroit	38	32	.544	5
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##### WEST DIVISION

Team	W	L	Pct.	GB
------	---	---	------	----

Seattle	51	41	.556	0
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San Diego	44	38	.539	7
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Oakland	44	38	.539	7
---------	----	----	------	---

San Francisco	41	41	.500	10
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### NATIONAL LEAGUE

#### MAJOR LEAGUE STANDINGS

##### EAST DIVISION

Team	W	L	Pct.	GB
------	---	---	------	----

Atlanta	41	32	.562	0
---------	----	----	------	---

New York	46	42	.522	12
----------	----	----	------	----

Philadelphia	37	53	.410	23
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Florida	46	37	.555	2
---------	----	----	------	---

##### CENTRAL DIVISION

Team	W	L	Pct.	GB
------	---	---	------	----

Houston	55	30	.647	0
---------	----	----	------	---

Chicago	44	45	.494	11
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Cincinnati	44	50	.468	11
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St. Louis	43	49	.467	11
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Pittsburgh	41	52	.441	14
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##### WEST DIVISION

Team	W	L	Pct.	GB
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San Francisco	52	42	.556	0
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Los Angeles	47	46	.505	5
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Colorado	41	53	.436	10
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Arizona	31	62	.338	28
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##### MAJOR LEAGUE STANDINGS

##### NATIONAL LEAGUE

##### EAST DIVISION

Team	W	L	Pct.	GB
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Kansas City	40	40	.500	0
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Detroit	39	41	.488	1
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Baltimore	38	42	.475	2
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Philadelphia	37	43	.462	3
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Washington	36	44	.447	4
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Pittsburgh	35	45	.438	5
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##### CENTRAL DIVISION

Team	W	L	Pct.	GB
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St. Louis	44	38	.539	0
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Chicago	41	41	.500	3
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Cincinnati	39	43	.475	4
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San Francisco	38	44	.462	5
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Los Angeles	37	45	.447	6
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##### WEST DIVISION

Team	W	L	Pct.	GB
------	---	---	------	----

San Diego	40	40	.500	0
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Colorado	39	41	.488	1
----------	----	----	------	---

Arizona	38	42	.475	2
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San Francisco	37	43	.462	3
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Los Angeles	36	44	.447	4
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San Diego	35	45	.438	5
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Arizona	34	46	.425	6
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San Francisco	33	47	.410	7
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Los Angeles	32	48	.398	8
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San Diego	31	49	.385	9
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Arizona	30	50	.375	10
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San Francisco	29	51	.363	11
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Los Angeles	28	52	.350	12
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San Diego	27	53	.338	13
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Arizona	26	54	.326	14
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San Francisco	25	55	.313	15
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Los Angeles	24	56	.302	16
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San Diego	23	57	.291	17
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Arizona	22	58	.279	18
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San Francisco	21	59	.267	19
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Los Angeles	20	60	.256	20
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San Diego	19	61	.244	21
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Arizona	18	62	.232	22
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San Francisco	17	63	.221	23
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Los Angeles	16	64	.210	24
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San Diego	15	65	.198	25
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Arizona	14	66	.187	26
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San Francisco	13	67	.176	27
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Los Angeles	12	68	.165	28
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San Diego	11	69	.155	29
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Arizona	10	70	.143	30
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San Francisco	9	71	.132	31
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Los Angeles	8	
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## SPORTS

## Festina Chief Queried in Drug Scandal

**International Herald Tribune**  
**CHOLET, France** — The management of the Festina bicycle racing team, under increasing pressure in a drug scandal, announced Wednesday that the head of the team was being questioned by the French police. Other reports said that he was in custody, but not arrested, and would be held until his lawyer arrived.

Bruno Roussel, the coach of the nine Festina riders in the Tour de France, has been asking for two days for the inquiry so that he could answer what were termed rumors, the management noted. Its announcement did not mention unconfirmed reports that the police had also searched the team's hotel in Cholet.

The affair began last Wednesday, when a masseur for the team, which is

based in France, was arrested at the French-Belgian border in an official Tour de France car bearing the Festina emblem. A search of the car revealed a large but so far uncertain quantity of amphetamines, steroids, masking drugs and EPO, a chemical that thickens the blood and thus carries more oxygen to muscles. All these substances are banned in the sport, but believed to be occasionally used by some riders.

The jailed masseur, Willy Voet, a Belgian, is said to have first used all the drugs were for his personal use and then to have said that he was taking them to Dublin for delivery to the team doctor under orders from Festina officials.

Both Roussel and the team doctor, Eric Ryckaert, have denied this, and Roussel announced Tuesday night that he had instructed his lawyer to act against publication of what he termed

hearsay and rumors. But French newspapers have continued to report leaks in the case, attributing them — if at all — to unidentified judicial sources.

The sponsor of the team, Miguel Rodriguez, a Spanish watch manufacturer, said Wednesday that if an intention to use illegal drugs was proven, he would immediately terminate his contract, which runs through 2001.

Tour officials have noted that the arrest was made far from the race and before it began. When the affair became public last Friday, Jean-Marie Leblanc, the race's director, ruled out any penalties until more facts became known. He repeated that position Wednesday, saying that for now there was no question of ejecting the nine-man team, which includes Laurent Brochard, the world road race champion, and two favorites in the Tour, Richard Virenque and Alex Zülle.



Jeroen Blijlevens, center, winning the fourth stage Wednesday in Cholet.

## Before Cup Final, Cries of 'He's Dead'

**Reuters**  
**PARIS** — Cries of "He's dead! He's dead!" filled the Brazilian team's hotel after Ronaldo was found having a convulsive fit on Sunday, the hotel director said in a radio interview Wednesday.

The Brazilian soccer star fell ill in his team's hotel on the outskirts of Paris just hours before the World Cup final on Sunday night.

There was general alarm with yells and shouts, which woke up all the players, who were in the middle of their siesta, said Paul Chevalier, who runs the Grande Romaine chateau at Lasigny, where the team was based during the competition. "For a time we heard people saying, 'He's dead, dead, dead!'" he told France Info radio. "It created a terrible atmosphere around the team, which was clearly demonstrated later on the pitch." France beat Brazil, 3-0, in the final.

Ronaldo, 21, reportedly swallowed his tongue during the convulsions. He was taken to the hospital for checks and went on to the Stade de France, but failed to produce anything like his normal form.

"I suppose Ronaldo's nerves broke," Mr. Chevalier said. "He has been under dreadful pressure."

Normally when the Brazilians left for their matches there was a party atmosphere with singing and music, he said, but the mood before Sunday's final was different. "When they left the hotel," he said, "there was complete silence on the bus, and we who knew them personally understood at that moment that there was no cohesion, and they had lost the Cup."

## An American Cyclist Has His Eye on the Tour's Yellow Jersey

**By Samuel Abt**  
**International Herald Tribune**

**CHOLET, France** — A few Americans' hearts were broken Wednesday on the D1 two-lane road at a spot marked by a green banner just outside the village of Plumelec in western France.

Foremost among those affected was George Hincapié, who wears the red, white and blue, star-spangled jersey of the U.S. national bicycle road race champion. "It's been a dream of mine to wear the jersey in the Tour de France especially," Hincapié, 25, said before the start of the daily stage. "The only thing I'd trade it for is the yellow jersey."

As he spoke, the U.S. Postal Service rider was second in the overall standings, two seconds behind the Tour's

leader, the man in the yellow jersey, Hincapié, his teammates and their officials knew that if he finished first, second or third in the first of three time-bonus sprints of the day and the leader, Bo Hamburger, a Dane with the Casino team, finished behind him, the American would be the race's virtual leader.

"I know it'll be hard but you can't pass up a chance like this," said Hincapié. "I can hope. I feel confident and I'm going to try my best. I'm a little nervous, excited, but that's the Tour de France."

This is Hincapié's third Tour. A teammate and another American, Frankie Andreu, has already ridden six editions of the world's greatest bicycle race and finished all of them. With that much more experience, he put the mission into perspective: "It'll be hard. The

whole team will ride to put George in position to sprint but it'll be a very difficult two seconds to come by."

In the end, it was too difficult. Stuart O'Grady, an Australian with the Gan team who was in third place overall and a second behind Hincapié, won the sprint and the six bonus seconds deducted from his overall elapsed time.

Hincapié was third, gaining two seconds that no longer mattered. O'Grady was now the virtual leader as Hamburger gained no time.

The Australian, 24 and an Olympic champion in team pursuit, also won the second bonus sprint and finished third in the final one while neither Hincapié nor Hamburger scored.

At the end of the fourth of 21 stages, a 252-kilometer (156-mile) journey from

Plouay in Brittany to Cholet in the Loire region, O'Grady exchanged his virtual leadership for the real thing — he mounted the victory podium and slipped into the yellow jersey. "That feels wonderful," he said. He leads Hamburger, in second place, by 11 seconds, with Hincapié third, also 11 seconds behind.

The flat stage was won in a sprint finish by Jeroen Blijlevens, a Dutchman with TVM, in a time of 5 hours 48 minutes 32 seconds, an average speed of 43 kilometers an hour. Second was Nicola Minali, an Italian with Riso Scotti, half a bicycle length behind.

O'Grady, Hamburger and Hincapié all finished in a large bunch of riders eight seconds behind the winner. The American was among a handful who were slowed by another mass crash,

about two kilometers from the finish, but got up quickly and sped off. Another victim was Mario Cipollini, the world's top sprinter, who was unable to compete in his specialty for the second time in this 85th Tour because of a crash.

Hincapié was disappointed afterward but not crushed. "I did my best," he said. "Not good enough."

All nine riders on the team seemed keyed up Wednesday morning as they awaited the start while thousands of spectators strolled among them, seeking autographs and a friendly word. Brittany is mad about bicycle racing and Plouay, the start, is particularly wild about the sport and annually stages a one-day race that attracts many tens of thousands of spectators. The town will be the host to the world championships in 2000.

## Orioles Are Finally Starting to Earn Their Keep

**The Associated Press**  
 Take down those fire sale signs. It may be too early to break up the Baltimore Orioles.

Baseball's highest paid team — and the biggest flop of the first half — won its sixth straight since the All-Star break, beating the Toronto Blue Jays, 11-5, Tuesday night.

Chris Hoiles's grand slam capped a six-run first inning as Baltimore moved within 10½ games of Boston in the wild-card chase — a formidable deficit, but a lot better than the Orioles' 15½-game

## BASEBALL ROUNDUP

margin after the first half. That was when the team owner, Peter Angelos, put the players on notice that if they didn't turn it around soon, he would unload several of his 11 pending free agents. But the recent success may have changed that.

Rafael Palmeiro, B.J. Surhoff and Carter hit solo homers for the Orioles, who completed their most successful homestand in five years. Baltimore took four from Boston and two from Toronto to match a 6-0 homestand in June 1993.

**Mariners 6, Rangers 3** Ken Griffey Jr. hit his AL-leading 38th and 39th homers — his 1,500th and 1,501st career hits — for the Mariners. Griffey's first two-homer game since June 2 put him one behind the St. Louis Cardinals' Mark McGwire and four ahead of Sammy Sosa of the Chicago Cubs. Griffey has 333 career homers, moving past Bobby Bonds for 60th place on the career list, three behind Joe Adcock.

**Texas 7, Yankees 1** In Cleveland, Texas' Juan Gonzalez, who leads the majors with 101 RBIs, did not drive in a run for the sixth straight game.

**Yankees 7, Indians 1** In Cleveland, Andy Pettitte plunked the Yankee-killer Jim Thome on the arm in the first inning, then breezed through the rest of the Indians' lineup for a six-hitter.

With a split in the two-game series, the Yankees improved to 66-21 and kept pace with the 1992 Pittsburgh Pirates for the best start this century.

**Thome, 8-for-21** with three homers against New York this season, was hit on the right forearm by a fastball from Pettitte (12-5). X-rays were negative.

**White Sox 5, Twins 5** Frank Thomas hit a two-out, three-run homer off Rick Aguilera (3-6) to cap a four-run ninth inning for the host White Sox. Albert Belle homered for the seventh time in six games for Chicago, which won for the fourth time in five games despite blowing a 4-3 lead in the top of the ninth.

**Athletics 6, Angels 2** In Oakland, Kenny Rogers (9-3) pitched six scoreless innings before leaving with soreness in his left hamstring as the Athletics won their fifth straight against Anaheim.

**Devil Rays 5, Red Sox 4** Miguel Cairo's ninth-inning single drove in the winning run as host Tampa Bay ended its 11-game losing streak. Albie Lopez (5-2) pitched two innings for the victory.

**Tigers 9, Royals 3** Justin Thompson finally won a home game and Tony Clark hit a three-run homer as Detroit beat Kansas City. Thompson hadn't won at Tiger Stadium since last Sept. 5.

He entered Tuesday with an 0-6 record and 5.56 ERA at home this year.

## In the National League:

**Reds 7, Cardinals 4** One out from his first major league save, Danny Graves watched McGwire strolling to the plate to pinch hit for the Cardinals. Graves missed the strike zone on his first two pitches to before getting McGwire to ground out to third as Cincinnati won its ninth straight.

Cincinnati's winning streak followed an 11-game losing skid, and the Reds have now won nine straight on the road, their longest streak since a 10-game run from Sept. 16-27, 1964.

**McGwire, who leads the majors with 40 homers, planned to take his first day off since June 4.** With him out, the Cardinal manager, Tony La Russa, moved everybody up a slot in the batting order, and the Cardinals got home runs from Ron Gant and Gary Gaetti.

**Braves 4, Mets 2** In New York, John Smoltz (7-2) revived Atlanta's rotation with eight strong innings, and also hit a go-ahead single as the Braves broke a three-game losing streak. Chipper Jones hit a solo home run and an RBI double, helping Atlanta avoid matching its longest skid of the season.

**Cubs 7, Pirates 4** In Pittsburgh, Glenallen Hill had three hits and two RBIs, including one of four consecutive runs scored in a six-run sixth inning for Chicago. Sammy Sosa failed to homer for the fourth consecutive game — he has 35 homers in 93 games — but contributed an RBI single.

**Phillies 4, Brewers 2** Scott Rolen's

two-run double off Jeff Juden (7-8) in the eighth broke up a scoreless game in Milwaukee and lifted Philadelphia.

Juden surrendered consecutive singles to Doug Glavine and Gregg Jefferies to start the eighth before Rolen sent a 1-2 slider into the gap in left-center.

**Expos 2, Marlins 1** In Miami, Dustin Hermanson (7-7) allowed five hits in eight innings and overcame some shaky defense as the Expos snapped Florida's season-high winning streak at four. Hermanson, traded by the Marlins before last season, defeated his former teammates for the second time in five starts since being dealt.

**Padres 3, Rockies 7** Wally Joyner homered and drove in four runs as San Diego ended host Colorado's season-high four-game winning streak. Ken Caminiti and Jim Leyritz also homered for the Padres. San Diego's Tony Gwynn ended a career-worst 0-for-19 slump with a second-inning single.

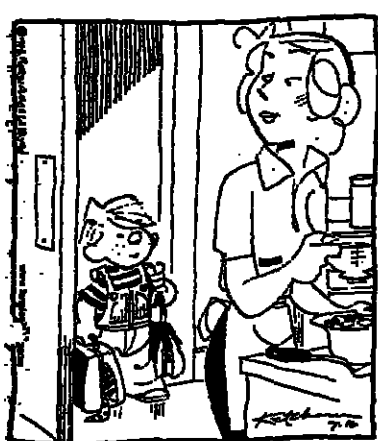
**Astros 4, Diamondbacks 2** In Phoenix, Shane Reynolds (12-5) became the NL's fourth 12-game winner, picking up his fifth victory in a row as Houston snapped a four-game losing streak. Reynolds, who gave up five hits in 7½ innings, is 9-2 since losing in Kerry Wood's 20-strikeout performance in Chicago May 6.

**Dodgers 2, Giants 1** Robb Nen's wild pitch scored Raul Mondesi with two outs in the ninth inning in Los Angeles. Nen's 1-0 pitch to Adrian Beltre with the bases loaded was in the dirt and got past his catcher, Brian Johnson, allowing Mondesi to score standing up.



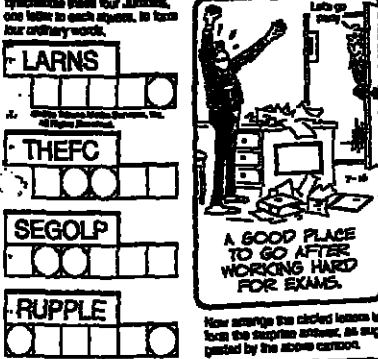
The Orioles' Roberto Alomar making a head's up play, diving into first.

## DENNIS THE MENACE



"I've decided it's time to go off on my own. As soon as you fix me a sandwich, and give me a quarter."

## JUMBLE



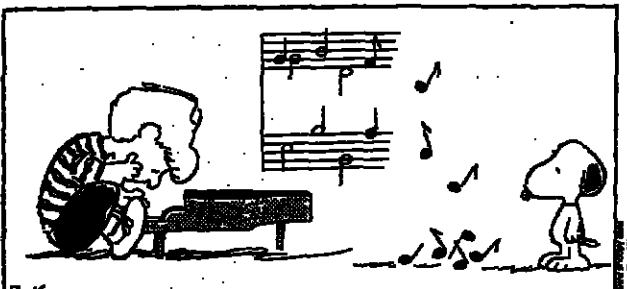
Print answer here: \_\_\_\_\_

Answers: STEED ROUSE GARDEN SACKET  
 Answer: What it took to make the book mean GREAT STRIDES

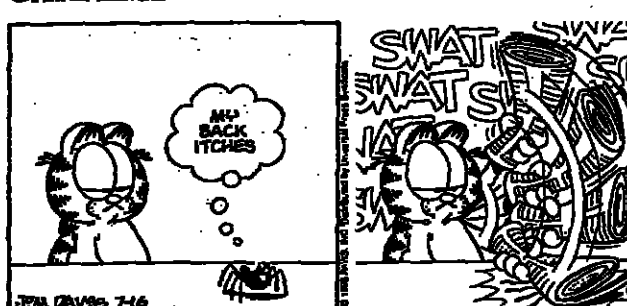
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## PEANUTS



## GARFIELD



## BEETLE BAILEY



## BLONDIE



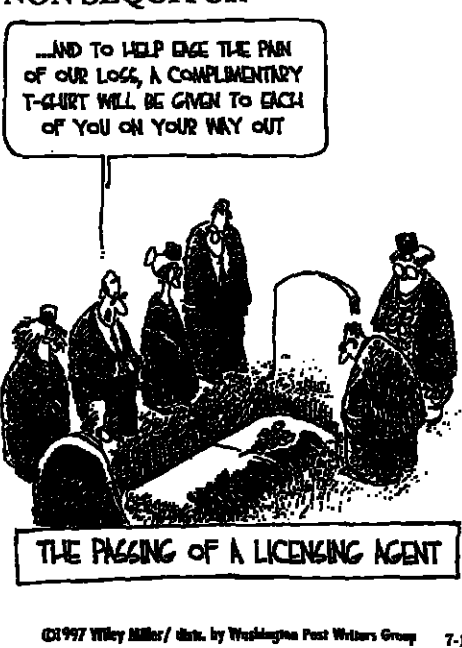
## CALVIN AND HOBBES



## WIZARD OF ID



## NON SEQUITUR



## DOONESBURY



الرياض ١٤١٩



ART BUCHWALD

First In, Last Out

MARTHA'S VINEYARD, Massachusetts — There is a rule that every vacationer wants to be the last person to discover a new place and doesn't want anyone to come after him. Once ensconced, summer visitors are full of resentment for newcomers whom they suspect will never appreciate the place.

What is not talked about is that people's pets also do not like newcomers. You see it every day when dogs bark at new canine arrivals getting off planes at the airport. It is said the dogs who came first refer to them as "nouveau bitches."

Charlie, a Wheaton terrier, came to our island in 1997. He found it quite delightful and was happy when his owners decided to come back this year. When he returned, he felt accepted by the dogs he met last year, and he considered himself a veteran of the place. Then, on Main Street, Charlie spied a French poodle riding in the back of a station wagon filled with suitcases and children. When they stopped to ask directions of Joel, his owner, Charlie knew



Buchwald

immediately that they were first-timers and he started to growl. The poodle growled back and tried to get out of the wagon to have a go at Charlie. Charlie's owner pulled him away and scolded him.

"You can't get mad at dogs just because they came to this heavenly place after we did. You can get mad at new people, but not dogs."

Charlie seemed upset. Walking down by the dock he saw five or six dogs arriving on the ferry. It was more than he could bear.

His owner said, "I know what you're thinking Charlie, but these dogs are entitled to vacations too. Perhaps they will behave better than they look."

You could tell Charlie's vacation was spoiled. The island can hold just so many dogs, and he had been assured that he would be the last one permitted to run on the beach.

I saw Charlie at his house the other day. He was stretched out on the porch and didn't seem to want to move. "What's wrong?" I asked Joel.

The reply was, "He hasn't moved all summer. He feels the island is ruined and the nouveaux bitches have taken over. Now everyone in the family is having a lousy vacation."

4 Galleries of Earthly Delights

New York Times Service

LONDON — Built at a cost of about \$11.5 million, four major galleries on Earth's history will open Thursday at the Natural History Museum in London.

They are "From the Beginning," an exploration that looks back 15 billion years to the formation of the universe; "Earth's Treasury," a display of the planet's riches, including diamonds on loan from the De Beers company; "Earth Today and Tomorrow," focusing on humans' impact on the environment; and "Earth Lab," where visitors can identify and compare fossils, minerals and rocks with museum specimens.

Taking New Yorker's Helm, a Popular Captain

By Robin Pogrebin  
New York Times Service

NEW YORK — The announcement that David Remnick, a Pulitzer Prize-winning writer, would replace Tina Brown as editor of The New Yorker was met with sustained applause by members of the staff, many of whom later described their feelings as profound relief. "It seldom happens that the absolute best person on the face of the earth for a given position gets that position," said Hendrik Hertzberg, the senior editor at the magazine.

Remnick, who has spent the last six years writing for The New Yorker on topics from Alexander Solzhenitsyn to Mike Tyson, is the fifth editor of the magazine in its 73-year history.

The appointment, which becomes effective immediately, was announced by S.I. Newhouse Jr., the chairman of Advance Publications. The announcement came just a few days after The New Yorker's current editor, Tina Brown, resigned to start her own media company in affiliation with Miramax Films.

"I thought he was the best man for the job," Newhouse said, referring to Remnick. "I think he has a combination of skills both as a writer and conceptually as a magazine person."

Remnick's appointment comes after months of tension over the magazine's financial losses, which came to a head this month with the expiration of Brown's contract. Despite award-winning editorial content, considerable — if sometimes controversial — publicity and increased circulation, the magazine has continued to lose money in its 13 years under Newhouse. Although losses have decreased to \$11 million last year from \$30 million in 1992, recent changes on the magazine's business side suggested that Newhouse had had enough.

Remnick was by no means an obvious choice to succeed Brown. There had been speculation that Newhouse might select someone



David Remnick, at 39, is the fifth editor of the magazine.

with a tested mass-market track record, such as Graydon Carter, the editor of Vanity Fair, who one Conde Nast executive said was offered the job but turned it down.

Such a choice would have seemed in keeping with the style of Brown, 44. She was a glamorous magnet for the gossip columns who many say created — for better or worse — the era of the magazine editor as celebrity and pointed out the importance of "buzz."

Remnick, 39, promises to be a significant change of pace. With a gentle and pensive manner, he is more likely to be found sitting at a seminar at the Council on Foreign Relations than running the gauntlet of paparazzi on his way into some black-tie event.

In fact, Newhouse indicated that he did not run to Remnick as a first choice. He confirmed the contents of a widely circulated e-mail message sent by Michael Kinsley, the

editor of the on-line magazine Slate. In it, Kinsley said Newhouse offered him the job on Saturday and changed his mind on Sunday.

Newhouse made his decision early Monday morning, after reading a several thousand word memo by Remnick.

Looking somewhat dazed at the magazine's offices, Remnick said he had been thrilled six years ago when a free-lance article of his was published in The New Yorker under its editor at the time, Robert Gottlieb.

"I was raised on this magazine," Remnick said.

Remnick said it was too soon to talk specifically about his plans for The New Yorker, although he did say he wanted to see more city coverage, more humor and more varied foreign correspondence.

"It would be ridiculous to start making pronouncements about major changes and all the rest," he said. "Do I have things in mind? Yes, I do. But I want to think them through."

Remnick said he admired what Brown had done. "I think she has opened up this magazine in tremendous ways, and it needed doing," he said. He also said he did not buy the argument that New Yorker readers are a dying breed, not when young people are attending poetry readings, buying books at Amazon.com and wandering through Barnes & Noble.

"I want them," he said of the next generation. "I want them to understand The New Yorker as something that is part of their worlds and their lives and their passions."

In his remarks at a staff meeting Monday morning, Remnick joked about the three changes he would immediately make at the magazine: More service pieces, such as "America's Ten Best Pizzas"; a weekly section called "teens talk to teens," and more Russia coverage (before coming to The New Yorker in 1992, Remnick spent almost four years covering the former Soviet Union for The Washington Post).

In the words of his colleagues,

Remnick's tenure was characterized as likely to be something of a cross between William Shawn's New Yorker and Tina Brown's. Although Remnick has written about Howard Stern and Mike Tyson, he has also held forth on the Russian elections, in much the spirit of the old New Yorker's lengthy ruminations.

"He's good-looking and articulate and scholarly — it's almost unbearable," said Roger Angell, a longtime writer at the magazine. "No groaning or cursing or stalking the halls and saying, 'This time I can't do it, I'm not a writer.' Plus, he's a good guy. This is highly suspect."

Some said Remnick might be in for a rude awakening. "Running a weekly is an incredibly complicated management job," said Martin Walker, a magazine consultant. "Here's a guy who's been a writer and an author, and they're two very different jobs."

Brown said Remnick would have his hands full, but she recommended him to Newhouse with the belief that he was capable, in part because — in addition to writing — he has already been offering editorial guidance to the magazine for some years.

"I knew that David can handle it," she said. "David is a workaholic like I am. He is prepared to give up his life for his work."

Remnick said he intended to continue having a life. He lives in Manhattan with his wife, Esther Fein, a reporter at The New York Times, and they have two boys.

He also described complaining about workloads as "a weird modern form of self-aggrandizement." "Gee whiz, I work really hard at something I love." That's called luck, not labor.

As to whether he would feel pressure to follow Brown as the public face of The New Yorker out on the party circuit, Remnick said: "I think any editor has to do some of that, but I have to do that in my own way. It would be foolish to try to imitate Tina. It would be foolish to try to imitate anyone."

PEOPLE

WITH nine nominations for her videos "Ray of Light" and "Frozen," Madonna topped the list of nominees for the 1998 MTV Video Music Awards. Besides Madonna for "Ray of Light," those nominated for best video of the year included Brandy and Monica for "The Boy Is Mine"; Puff Daddy and the Family for "It's All About the Benjamins (Rock Remix)"; Will Smith for "Gettin' Jiggy Wit It" and The Verve for "Bitter Sweet Symphony."

David Letterman's "Late Show" has been knocked off the air in seven Southern and Midwestern cities this week because the stations' owner had trouble getting tickets for people who wanted to see the show in New York. Instead, viewers of these CBS stations are being treated to a mixture of infomercials and sitcoms. Letterman was bounced by Nick Evans, owner of Spartan Communications in South Carolina. "I think this is the type of fellow that is used to getting the best table at a restaurant at a moment's notice while the rest of us have to wait in line," said Rob Burnett, executive producer of Letterman's program. Evans was annoyed because his lawyer had trouble getting into a Letterman show being taped in New York, Burnett said. Evans said it was his advertisers and some viewers, not his lawyer.

Bad news for the Beijing 40, the Barshefsky Beanie Babies. They are being held at the U.S. Customs facility at Dulles

International Airport near Washington, and they may have to be destroyed. The pack of plush critters began to create an international incident when the U.S. trade representative, Charlene Barshefsky, brought them back from China for her daughters. Seeking to avoid debate over whether she had flouted import restrictions on the 40 stuffed toys, Barshefsky turned them over to customs last week, which now holds them

Girl Is Born to Princess Stephanie

The Associated Press

MONACO — Princess Stephanie of Monaco gave birth to a girl on Wednesday, and named her Camille Marie Kelly, the palace press office said.

The 33-year-old princess has not remarried since her divorce less than two years ago, and the identity of the infant's father was not made public.

Stephanie already has two children, Louis, 5, and Pauline, 4, with her former bodyguard, Daniel Ducruet, whom she divorced in October 1996, after 15 months of marriage. Both children were born before the couple married.

Stephanie divorced Ducruet after Italian magazines printed photos showing him in a poolside romp with Miss Nude Belgium, Fili Houteman.

captive. Standard practice at customs is to get the license holder to permit donation of the suspect goods to charity. But the Beanie Babies' maker, Ty Corp., does not allow this, a source said. "They're dolls!" said the customs spokesman in response to questions about the Beanies' conditions. "They don't need food and water and they don't breathe. They're inanimate objects." Little does he know.

The British rock singer Liam Gallagher has settled out of court with the fan he allegedly headbumped, in a deal believed to be worth \$60,000 (about \$100,000), the Sun newspaper reported. Last month, Ben Jones dropped assault charges against the lead singer of Oasis. But Gallagher still faced a civil action for his alleged assault on the British backpacker after the fan took photographs outside the band's hotel in Brisbane, Australia, in March.

Stephen Sondheim and Tony Randall went downtown to talk up a plan aimed at pumping millions of dollars into the theater industry uptown — on Broadway. They and other luminaries turned out at New York's City Hall to support a zoning plan that would let Broadway theater owners sell unused development rights above their property, or "air rights," with some proceeds to be used for maintaining theaters and subsidizing new plays. "A plan that involves funding seems to me a dream come true," Randall said.



STAR-SPANGLED — The American bassist Boots Collins performing at the 50th Jazz Festival in Nice.



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